# NATION

October



1925

#### Federal Taxes Will Be Cut-and How

By Senator REED SMOOT By Senator JAMES COUZENS And by a Trained Observer of Congress

Why We Should Lend Money Abroad By GEORGE E. ROBERTS

Business Joins the War on Crime By F. S. TISDALE

#### What Better Transportation Has Done By E. M. HERR

By CHARLES S. KEITH

President, Westinghouse Electric

Ex-President, Southern Pine Ass'n

By A. R. ERSKINE

By ROBERT LAMONT President, American Steel Foundries

President, Studebaker Corporation

By HALE HOLDEN President, Burlington Railroad

Government Can't Compete on the Seas, by Admiral Leigh C. Palmer How We Can Save \$300,000,000, by Senator Charles Curtis Britain and Her Plague of Doles, by P. W. Wilson Bringing Power to Every Farm, by O. M. Kile Just What Is a Fair Price, by H. Parker Willis Banking in an Old-world Palace, by Merle Thorpe Why Try to Save, by Agnes C. Laut

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Published at Washington by the Chamber of Commerce of the United States



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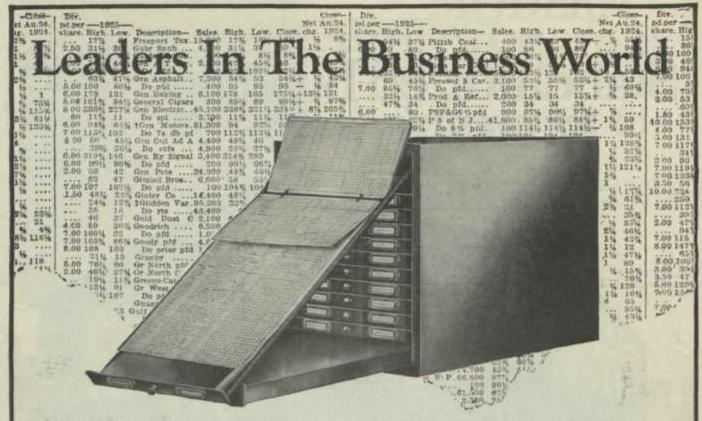
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## Costly manufacturing wastes —controlled by a trifling item



The last census reports Industry's annual expenses as \$79,557,659,418. It itemizes as follows:

77.30 principal materials

16.9% - salaries and wages

3.5%-taxes and miscellaneous

2.1% power

In total operating expenses, lubricating oils average less than 1/10 of 1%. The significance of lubrication is not realized because its cost is so insignificant.

Indifference to lubrication costs American Industry millions of wasted dollars annually—

-in lost horse power

-in idle time due to shutdowns for repairs

-in shortened life of machinery.

Literally your plant rides on a film of oil. Any oil will not do. An oil correct for one particular type of engine may wreck another. One oil will be correct in body, quality and character to meet a given mechanical requirement. Another oil will not. To treat lubrication casually is to treat manufacturing wastes casually.

You cannot have maximum continuity of operation and smooth production flow until every machine in your plant is supplied with an oil scientifically correct for it.

If your need for reducing waste is urgent your need for correct lubrication is urgent. The world's highest authority on reliable lubrication is at your service.

With the cooperation of your personnel, we will gladly assume the full responsibility of prescribing correct lubrication for your entire plant.

A letter addressed to any of the following offices entails no obligation.

New York (Main Office), Albany, Boston, Buffalo, Chicago, Dallas, Des Moines, Detroit, Grand Rapids, Indianapolis, Kansas City, Milwaukee, Minneapolis, New Haven, Oklahoma City, Peoria, Philadelphia, Pittsburgh, Portland, Me., Rochester, St. Louis, Springfield, Mass.



## Lubricating Oils

IF the Vacuum Oil Company lubricates your plant, you use an organization which has specialized in lubrication for 59 years, whose engineers and field men visit over 200,000 plants yearly, whose treatises are recognized engineering textbooks. Gargoyle Lubricating Oils are approved specifically by 225 foremost machinery builders, and lubricate industries the world over.

## Vacuum Oil Company



'HEY said it couldn't be done. They said there were only a few thousand business men in the United States who had any interest off Main Street. They said a national economic of the state of the said and nomic question gave the majority of business men a headache. That the maximum interest which could be aroused in the average executive was over the paving of Commercial

Street and his own payroll.

They said it couldn't be done but here it is. Today 200,000 business men have joined the audience of a magazine devoted to business in its national phase. Evidence, again, that the average business man is just a little bit above the average. Evidence, too, that as a class, business is eager to contribute to the solution of those economic questions which go to the heart of the presperity and well-being of the nation.

IT IS interesting to get outside viewpoints on why 200,000 business executives have rallied to this particular business magazine. Two such opinions came in today

You make big questions simple. It seems that your articles are not written in the usual manner. They read just as if the writer were talking.

We set out in the beginning consciously to do that very thing. We thought it might be possible to write of the nation's finances, transportation, insurance, merchant marine, in untechnical phrase. We often marveled that there was such a wide discrepancy be-tween the language of the economic journal and the talk of two intelligent business men on the same subject across the luncheon table. Almost our first General Order was "make it read as one business man talks to another." (When a Harvard professor wrote us that he disliked NATION'S BUSINESS because it was undignified, we felt we were making progress in this direction.)

THE OTHER opinion came from a caller. We asked him bluntly, "You say your business associates like NATION'S BUSINESS. Tell me just what in it they like best." He replied:

I can't tell you what particular articles or departments they like most. I think it is the tone of the entire magazine. It makes a man who reads it feel a bit prouder that he is a business man. He's glad that his calling has such a fine representative in Narron's Business.

I'm not ashamed to say that moved me deeply. It was a sincere tribute to what we have tried to do and be, and it brought home again with the force of a four-fold blow the added responsibility we have today in "repre-senting" our larger family of American busi-ness men. We shall go on in the belief that the great body of American business is es-sentially sound, intensely patriotic, and fair and honest in its relations to its public.

OUR EDITORIAL confession of faith we expressed in these columns eight years ago. We reaffirm it here:

To encourage a national viewpoint for American business, breaking down provincialism;

To stimulate at the same time community development;

To advocate foreign trade as a natural and

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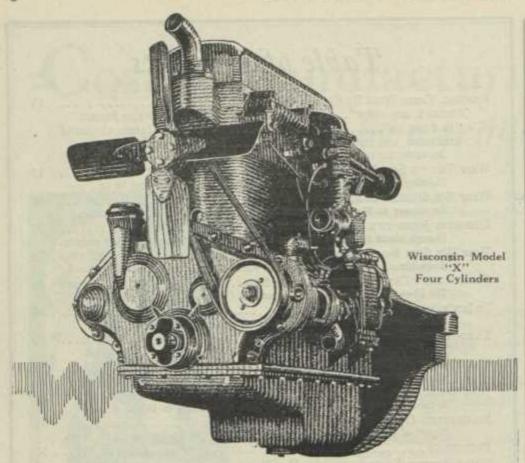
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As the official magazine of the National Chumber, this publication curries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.



#### MORE POWER



Wisconsin "X", 415"; 5", 4-cylinder; 40 H.P. at 1000; 47 H.P. at 1200; 56 H.P. at 1500; 63 H.P. at 1800 and 67 H.P. at 2000 R.P. M.

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Wisconsin "S-U", 4"a 5", 4-cylinder: 20 H.P. at 1000; 43 H.P. at 1500 and 50 H.P. at 2000 R.P.M. MORE ton-miles at less cost—in six words, that is the Wisconsin story for both truck builder and truck owner.

To the truck manufacturer, these super motors offer additional savings through lower first cost and simplified power-buying.

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Years of development of the high-efficiency overhead-valve type have brought it to a point where Wisconsin motors produce consistently—"More Power per Cubic Inch."

> If you have a car, truck or bus to power, write for our booklet, "Buying Power on a Business Basis." Interesting!

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necessary growth, making stable our domestic

To emphasize the value of organization or team-work in business.

To serve American business by furnishing: A perspective of the world's commercial activities and their interpretation;

A clearing-house of new ideas in organized business;

An intelligent report on current relations of government and business.

To TEMPER all with a serene belief in the idealism of American business; to find in business the romance and enthusiasm which each man finds in his business; to be human in the way that business is to business men.

And in that faith NATION'S BUSINESS strives to express the sanity, the integrity, and the stability of American business.

OUR HINDENBURG article last month brought forth much comment. A point in one letter is of general interest. One correspondent asks:

"Why was it, if Von Hindenburg is such a friend of the Republic, that he had to get the ex-Kaiser's permission to run for the presidency?"

A pertinent question and one made much of at the time. The question was put to General von Hindenburg. He acknowledged writing the Kaiser, "because," he said, "I had taken an oath to support him and the monarchy, and I asked for release from my oath. It was given and I now have given my oath to the German Republic."

This bears out the statement made to me in Germany on every hand and reported in last month's article that Von Hindenburg is recognized even by his enemies as a man who keeps his word.

MR. E. H. THOMAS, of Seattle, writes

Chehalis, in common with nearly all other communities in western Washington, gets a reduction in domestic and commercial light-andpower rates.

Centralia is Chehalis' sister city, only three or four miles away. In this light-and-power rate reduction Centralia is the one conspicuous northwest city that is not so favored.

Centralia is served by a municipal plant. Chehalis and the other northwest communities are served by a private company.

ties are served by a private company.

Yet politicians continually assert that municipal, state and government ownership are better for the people than private ownership.

Politicians seldom or never tell the truth. They are not concerned about the people. If they were they would keep taxes down. Their apparent concern is mere pretense.

The politicians are busy building up payrollspublic phyrolls through increases in the officeholding class: and municipal and all other forms of government ownership are a means to that

Don't believe what politicians tell you about utility ownership. Just remember Seattle and profit by the example.

MR. L. A. MILLS, of Stockton, California, adds this to the library of our Fewer Laws Club:

The legislature of the Province of British Columbia has repealed all the laws relating to automobile traffic. All speed regulations have been abolished. But the individual is held responsible for his acts. He is put upon his mettle to safeguard the rights of others. The same citizen knows right from wrong, Looking at the traffic question in its moral phase could you not under some situations drive your car fifty miles an hour and harm no one? Then it would be right. And under other conditions a speed of fifteen miles an hour, because it interfered with the safety of another, would be

#### INTERNATIONAL FIRE PREVENTION WEEK OCTOBER 4th TO 10th, 1925



A thumbnail sketch of what happens where R-W Automatic Fire Doors and Fire Door Hardware is used for doorways and other fire-wall openings of any character. The doors present a tight, fire-proof front against the flames. They may spread—but not through the doorways. Open doorways are an invitation to fire, creating terrific draughts. R-W Fire Door Equipment has the label of the Underwriters Laboratories. The line is the most complete and extensive of the kind manufactured. Write for Catalog.

#### Indicative of the R-W Line

From a finger an artist can draw the man. From R-W Automatic Fire Doors and Fire Door Hardware the supreme quality and perfect performance of all R-W products can be visualized. R-W hangers for every door that slides—house, barn, elevator, garage and industrial are just as sure in their operation, just as enduring, banishing all doorway troubles. Built the right way—is the short way to say it. Use the R-W Engineering Department in all your problems of doorways—vital points in all buildings. The service is free,

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## Ath Power Show

#### Build Future Business at this Great Exposition

BIG BUSINESS is already making active preparation for the 4th great Power Show, which promises to be the greatest Exposition industrial power has ever known.

From all parts of the country the industrial managers, engineers, power experts, and manufacturers are coming, eager to receive the latest information on power production and equipment for handling mechanical problems of all kinds. The exhibits will comprise the most up-to-date equipment for the benefit of the large group of executive buyers who come here prepared for business.

Your plant manager or superintendent should come here. He will have you the detail inquiries into the exhibits regarding their best working condition and other important features. But you, yourself, will learn first hand what those exhibits will do, their cost and what they will save in your plant. Your directors will judge your interest in the business by your success at the Power Show. And your visit will bring profit in many ways to you.

National Exposition of Power and Mechanical Engineering

#### Grand Central Palace

New York City

Nov. 30th to Dec. 5th

underpaid, self-sacrificing patriots now holding the jobs? Are they to be deprived of their right to offer themselves on the altar of public service, just because a misguided

wrong. Every man accountable for his acts! How would that principle work in the various activities in our social structure? I leave it to you to answer.

In too much law making, are we become a nation of law breakers? We need fewer laws and better enforcement. The wise parent, in rearing his child, makes few commands but sees to it that those few are implicitly obeyed. We are children grown tall. Let us have fewer commands. Do you believe you can make people moral by legislation? High moral standards are created by slow processes, probably beginning with the mating of the parents and the conception of the infant. The young and tender child in its impressionable age must be closely guided and taught by precept and example. The schools and teachers have a high duty and responsibility in this regard. We should be taught to want to do right. Do right! Isn't that our standard? Our safe principle and guide post? And if we did it, and followed the still small voice within, would we need a great number of laws?

It will be interesting to compare results in B. C. with no traffic laws and in D. C. with 4,000 of 'em.

RALPH W. NUZUM is in the lumber business with headquarters at Viroqua, Wisconsin. He says that our article on political
conditions in Wisconsin in the July number
covered the case, and with his letter he sent
us a few stanzas of verse on the Badger situation. When Mr. Nuzum tires of the lumber
business he should try his hand at writing
librettos. Here are three stanzas which go
into our archives "There ought to be a
law—":

#### THE BADGERING OF THE BADGER

We've made new rules on etiquette,
While all the laws of nature
Have been re-regulated by
Our learned legislature.
We've made some vast improvements in
The laws of gravitation;
We've put Big Business on the blink
Through quadruple taxation.

We're run by cabinets and boards,
By bureaus and commissions,
Who tell us what we've got to do
And under what conditions.
The profits of our businesses,
The limits of our pleasures,
Are all controlled at Madison
Through legislative measures.

We've smashed our trusts and moneyed men And sent them off disgusted, And those that didn't get away Are ten times worse than busted. And next election when we get Our country's commendation, We're going down to Washington And run the whole damn nation!

WHEN Senator Curtis, aided and abetted by President Coolidge—or the other way around—came forward with a plan to consolidate government offices and save the taxpayers 200 million dollars a year, almost all of the people of the United States, 110 million of them, Republicans and Democrats, stood up and gave three rousing cheers and one "Go-to-it!"

A small percentage remained in their seats, giving dark looks and emitting low, animal-like growls of disapproval. Americans, too, but by the way of business politicians, office-holders and patronage dispensers. Consolidate offices just to stop a loss of 200 million dollars a year? What's to become of those underpaid, self-sacrificing patriots now holding the jobs? Are they to be deprived of their right to offer themselves on the altar of public service, just because a misguided



#### Macon Gets Its Million Dollar Hotel!

The city of Macon, Ga., is going after the tourist trade in earnest. Climate they already had. What was needed was a modern hotel that would appeal to the tastes of discriminating visitors.

So, this organization of specialists in hotel finance was called upon to direct the financing of their new million dollar hotel. Construction will now go forward immediately. Macon, however, is but one of a hundred other cities to take advantage of this hotel financing service.

Does YOUR city lack modern hotel facilities? This organization can dispose of the necessary securities!

THE FINANCIALIST, a monthly journal devoted to the subject of community hotel finance, has been of value to other cities in solving their problems. May we send it to you, gratis? Ask that your name be placed on our complimentary civic list, "C-10." There is no obligation entailed on your part.

#### The Hockenbury System Inc.

- · Penn-Harris Trust Bldg ·
- · HARRISBURG-PENNA ·

President thinks it would result in lowering

If you think it strange that there should be open opposition to a plan intended to benefit every taxpayer in the country, wait until Congress meets. The champions of the job-holder will be there fit and ready to give the President and Senator Curtis plenty

IN PHILADELPHIA recently a girl was arrested by state police, fined and ordered committed to jail for owning a dog without having a \$1 dog license.

President Judge Henry A. Fuller, of Luzerne County, Pennsylvania, wrote of the

This is the kind of case that disgusts one with the majesty of the law. A poor young girl, owner of a shepherd dog and ignorant of the law, had neglected to take out a dog license, thereby depriving the Commonwealth of \$1, whereupon the Commonwealth's constabulary pounced upon her and brought the malefactor before a magistrate, who, with punctilious sense of duty, imposed a fine of \$10 with costs of \$3, and, in default of payment, committed her to jail for 15 days.

On our advice this poor girl has now taken out a license, but meanwhile she has been degraded, mortified and terrified beyond measure

Human behavior under modern legislation is now hedged in by so many restrictions that it has become impossible for even the best-intentioned people to go through the day without committing one or more crimes.

In the United States we may fairly assume that South Committees are the south Committees.

that 50,000,000 crimes are being daily committed, and if these were all prosecuted for punishment as, of course, they should be under any enlightened theory of enforcement, one-half of our federal population would be confined in jail and the other half engaged in getting them there.

This speech automatically elects Judge Fuller to our "There-Ought-to-Be-Fewer-Laws

ANOTHER distinguished recruit to the Fewer Laws Lodge, and one of authority. too, Charles E. Hughes, president of the American Bar Association. At the annual meeting of the Association he deemed it necessary to warn his brother lawyers of the "there-ought-to-be-a-law" cult. "We well "there-ought-to-be-a-law" cult. "We well may lament the multiplicity and uncertainty of the laws," he said. "One little statute, in a few words, may carry a thrust through a vital spot and give us more trouble than a thousand prolix measures of which most persons are happily ignorant."

"Happily ignorant." There may be a

source of some comfort in those words.

At the same meeting Chancellor H. S. Hadley, of Washington University, St. Louis, re-ported that apprehension of criminals and infliction of adequate punishment are as much as 90 per cent inefficient. That seems to indicate that, with all the laws, the criminal has nine chances out of ten of going free. There ought to be a law to give that unlucky 10 per cent a chance, making it unanimous.

WE ARE always bringing San Francisco nearer to New York. It was only the other day that they were first hitched together by telephone. The air mail is making them neighbors, and pretty soon the commercial airship will do more. All this by way of saying that the article about William E. Knox and the Bowery Bank found a friendly reader on the Pacific Coast. P. A. Pfleuger, assis-tant vice-president of the Humboldt Bank, San Francisco, writes to say:

Mr. Knox and his bank are no doubt doing a great work in the city of New York. Such banks help to make this country safe from all the radical talk that frequently is brought to



"THIS man Babson may not know it, but he's a friend of mine," declared Jimmy Warren, looking up from the sheet he was reading as the train sped along.

"You mean Roger Babson, the business statistician?" inquired his traveling companion.

"That's the one," Jimmy replied. "Listen to what he says here in one of his reports: Business in this country and in most countries is settling down to a competitive fight over costs. The big speculative price movements of War times are over for the present. Now it's a question of cutting pennies off the cost of making and selling goods. Hence the real profits this year and for a long while to come will hang on a few cents saved by economies rather than on speculation in materials or expensive high-pressure selling.' What do you think of that?"

"Sounds about right," the other agreed. "But why are you so enthusiastic about it?"

"Why, you see, cutting pennies off production costs is my business," answered Jimmy. "And not only pennies but dollars
hundreds of 'em. We've been doing it
right along, down at the Youngstown Pressed Steel Company, by taking heavy,

expensive cast parts that are used in all sorts of products, redesigning them and pressing them from steel instead.

"Time after time we've found we could save manufacturers anywhere from 10 per

cent to 50 percent on cost-per-unit for parts we've redeveloped and pressed from steel. And the saving doesn't stop with original cost either. When we press it from steel instead' we usually cut the weight down between 30 and 70 percent without any sacrifice in strength. Think what a difference that makes in shop-handling costs and freight charges.

"And then, too, a pressed steel part comes off the YPS presses in final, finished form, all ready for assembly. No costly drilling and machining required after a part reaches the manufacturer's plant. Every piece accurate to the finest kind of specifications. And the surface of pressed steel takes just about the neatest enamel or other finish you ever saw. In fact the stove manufacturers tell us they save as much as 50 percent in their enameling costs when they use pressed steel for their products.

"So, you see, when manufacturers agree with Babson that real profits now hang on a few cents saved here and there by production economies-well, I've got the very thing they're looking for, and it's called 'YPS Redevelopment Service'-which same has brought down production costs for forty-two YPS customers so far this year. That shows there are a lot of people who agree with Mr. Babson."

Adventures in Redesign-This little book affers interesting and grafit able reading if you are manufacturing products now made up of cast-metal parts. Is relates many remarkable instances wherein" pressing from steel instead" has reduced weight, increased strength and vastly improved the character of products for almost every trunch of industry. Ask your secretary to mail this coupon today.

THE YOUNGSTOWN PRESSED STEEL CO., Warren, Ohio Pioneers in Pressed Sted Redevelopment



The Youngstown Premed Steel Co., Warren, Ohio Please send me a free copy of "Adventures in Redesign." 

Town ..... State ..... NB-10-25

#### EVERY ROOF NEEDS INSULATION



## How much heat goes through your roof?

HEAT rises; therefore your top floor should be the easiest to heat. But it isn't. Why? Because in most buildings the heat keeps right on rising, through the roof, into the air outside. As a result, the top floor is the hardest to heat, and the fuel waste is enormous.

Every roof needs insulation. Heatproof your roof with Armstrong's Corkboard. Not only will it vastly improve the heatability of your building, but the fuel saving will materially reduce your heating cost. Moreover, if your processes produce or require high humidity, insulation with Armstrong's Corkboard will absolutely prevent condensation on roof or ceiling. And in summer, it will keep your top floor cool and comfortable.

Armstrong's Corkboard is the most practical and efficient roof insulation made. Its use involves no change in roof design. It can be easily laid on roofs, new or old, concrete or wood, flat or sloping. Standard roofing is laid over it in the usual way. Armstrong's Corkboard is non-absorbent and will not buckle or swell. It is a positive fire retardant. It cannot be ignited by sparks or embers and does not smolder or carry fire.

Send for detailed information on the use of Armstrong's Corkboard for roof insulation. Armstrong Cork & Insulation Company (Division of Armstrong Cork Company), 195 Twenty-fourth Street, Pittsburgh, Pa. In Canada, McGill Building, Montreal, Quebec.

Branches in the Principal Cities

## Armstrong's Corkboard Insulation

our notice. Furthermore, I believe that Mr. Knox is one of the outstanding exponents of genuine thrift and character building among savers, and, furthermore, I believe that Mr. Knox is one of the outstanding presidents of The American Bankers' Association. Such articles as "Making Capitalists—200,000 of Them" certainly appeal to those interested in savings banking as well as those who desire to become and are becoming capitalists.

ONE OF Governor General Wood's many tasks in the Philippines is to take the "government out of business." The Filipino statesmen, as is usually the case under similar circumstances, have confused "public ownership" with "politician ownership." A few years ago the island politicians decided to operate a coal mine under public ownership. It costs the Government 36 pesos a ton to mine the coal and its selling price is 19 pesos.

Nearer to Washington is another experiment of government in business, the Alaskan railroad. Seventeen million dollars was appropriated to build it, but there seems to have been a miscalculation in the estimates, for it actually cost a little less than 60 million dollars. Five thousand people are served by this railway at an annual cost of \$400 for each man, woman and child. Representative A. M. Free, of California, just returned from a trip to Alaska, recommends that the railway be torn up and converted into a highway. The 60 million dollars can be charged to experience.

"WITH the chain stores buying direct from manufacturers and many manufacturers selling direct to all retailers, how soon will it be until the jobber goes out of business?"

A subscriber in the wholesale business wrote to ask us that. Twenty years ago a similar question was discussed wherever three or more business men came together: "How long will it be before the mail-order houses drive the small-town store to the wall?"

The small-town stores are still doing business at the old stand. The wholesalers will be operating long after they have forgotten about their worries of today. Old Father Economics works that way. The serviceable is the indispensable; the indispensable survives.

To JUMP or not to jump"—that's been an editorial problem of Nation's Business for many years. In other words, shall we keep to our practice of not continuing stories, except at rare intervals, over to the back pages, or shall we follow the practice of some magazines and use that phrase, "continued on"?

Here's a pithy approval of our present

Your August number good!
Wisconsin the best.
Porterhouse steak also favorable.
I am glad to see your progress.
You have no "continued on page —."
Quite a step in advance.
I think your publication does much good.

A READER sends us this hot-weather wheeze which will just fit the end of the column:

Ezra went to the doctor to learn what alled him, and the doctor said:

"You ought to take off flesh. Get a car and get out more."

"And so I got a car and got out more." says

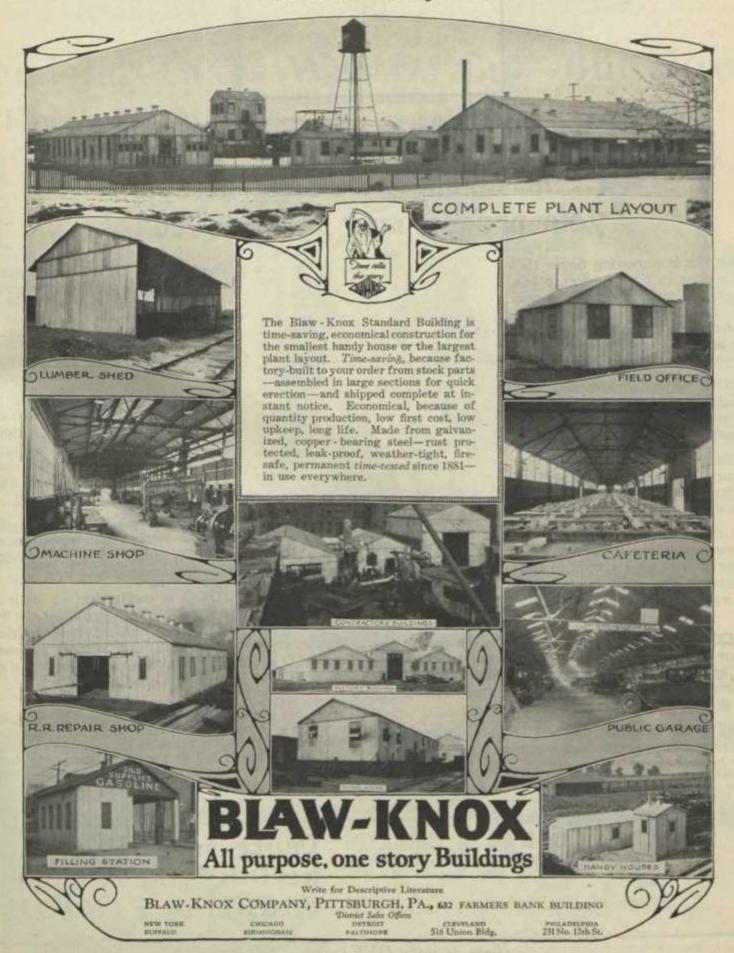
Erra. "I got out six times in one block and
took off a little flesh in four different places.

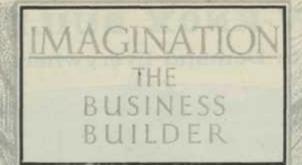
The last time I got out was
through the windshield.

That was the time I took
off the most flesh."

#### BLAW-KNOX BUILDINGS

In Demand Everywhere





## The moving finger points...

... "here—and here—and here...
your product may be improved"

THERE is a moving finger that writes in the market place, where all who come to buy may see. As it writes, the sale of one manufacturer's products grows less and the demand for another's increases.

And the words it writes are: "This, which you came to buy, remains as it was. But this other has been changed—and is the better suited for your needs!"

So decisive are these words that volume of sales, percentages of profits, and the continuance of business depend upon them.

But improvement of a product may not necessitate the use of new basic materials, or new methods of construction. The addition of a single new quality may serve.

DUCO has added enduring beauty to the finish of motor cars; it has given new qualities of endurance and appearance to furniture, to pianos, toys, typewriters, golf clubs, clocks, washing machines, lamps, and dozens of other articles.

In all these practical ways, DUCO'S distinctive value has been proved . . . it is a product that improves other products.

That is why DUCO has quickly appealed to the practical imagination of manufacturers in scores of industries,

Consider the place your product occupies to-day — with the trade with the public.

What would happen if you gave it a plus value? If, by using DUCO. you made it more beautiful—more durable—easier to clean—sanitary—waterproof—steamproof—immune to the action of gases, oils, salt air, alkali dust, perspiration?

These are only a few of the qualities that DUCO adds to products. whether made of metal, wood, fibre or composites.

DUCO is easily applied with a pneumatic spraying machine or by mechanical dipping, and it dries

and hardens almost instantly . . . Suppose you found that DUCO would materially reduce your time or cost of production?

In order that you may know whether one or more of these new values may be added to your product, we freely offer the assistance of a DUCO Finishing Engineer. Write for a manual of information. E. I. du Pont de Nemours & Co., Inc., Chemical Products Division, Parlin, N. J., Chicago, San Francisco.



Unlike anything else...
it is DUCO, the beautiful
enduring FINISH

There is only ONE Duco ... DU PONT Duco



#### VOLUME 13, NUMBER 11 NATITON'S IBUSINESS

A Magazine for Business Men



#### Federal Taxes Will Be Cut-But How?

"Here's My View"-By Senator REED SMOOT

THE FEDERAL tax burden should be reduced by approximately \$350,000,000. Budget figures for the next fiscal year do not justify going beyond that amount. Later on further reductions will appear possible but it would not be wise to go beyond \$350,000,000 in dealing with the tax situation now before us.

The reduction should be so arranged as to distribute the benefits all along the line, from the largest to the smallest taxpayer and including those who pay their federal taxes only indirectly.

The maximum surtax rate should and will, I believe, be cut to 25 per cent. Personally, I should favor going below that figure, say to 20 per cent, but I doubt whether it would be possible to get such a reduction through Congress. We must deal with the practical situation before us and I do not believe it to be the course of wisdom to stand out for measures we know will be next to impossible

There is much talk of raising the original exemption for the head of a family to \$5,000 on the theory that this would confer a direct benefit upon those of small incomes who make up approximately 90 per cent of the taxpayers. I am opposed to this.

I think everyone should contribute something in a direct manner to the upkeep of the Federal Government. It stimulates popular interest in the Government and makes the public more watchful of the way its money is spent. The average amount paid by those with incomes of less than \$5,000 is so small that I am sure there is no widespread demand among them for relief. However, I believe it will be possible to reduce the normal rates to 1 and 5 per cent, respectively, in place of the present 2 and 6 per cent.

All estate taxes by the Federal Government should be repealed, and that source of revenue turned over to the

states exclusively. The so-called "nuisance taxes," including the levies on automobiles and admissions, should be abolished. The revenue they produce is not commensurate with the cost of collection and the irritation they cause the public. Corporation taxes should be reduced from the present rate of 12% per cent to 10 per cent. I am not in favor of proposals for establishing a graduated corporation income tax.

The publicity section should be repealed or modified. I will resist to the utmost of my ability all proposals for "putting new teeth" in the present publicity section. Publication of a business man's private business affairs. as revealed in his income-tax return, is wholly indefensible.

In dealing with the tax question, Congress must keep in mind the necessity for getting a measure passed before March 15, when the

"I believe everyone should contribute in the upkeep of the Government," says Senator Reed Smoot, of Utah, Chairman of the Senate Finance Committee

first instalment of this year's taxes falls due. I believe that we will have it passed by that time, although I realize the task will leave no time for loafing.

The country is so determined to have its taxes reduced and reduced promptly that it is inconceivable to me that any member of either the House or Senate would risk his political life by wilfully delaying action.

#### "As I See It"-By Senator JAMES COUZENS WILL ROUGHLY assume that taxes may be reduced \$400,000,000. No one yet has exact figures as to how much the taxes may be reduced. The excise taxes, more commonly known as the

"nuisance taxes," should be repealed. These were all

primarily war taxes and there seems to be no sound rea-

numlly.

son, now that taxes may be reduced, for not repealing them. The loss to the Government, by repealing these "I would wipe out 91 per cent of the tax re-turns now made." says Senstor James Conzens, of Michigan, Chuirman of the Internal Revenue Bureau Committee

With the repeal of the excise taxes, there is left a possible reduction of about \$234,000,000 in income taxes. In the first place, I sug-gest that the exemption might be raised to \$5,000 for

taxes, would amount in the aggregate to \$166,000,000 an-

individual incomes.

I believe that the law requiring returns from individuals with incomes of less than \$5,000 should be repealed, thereby eliminating the filing of an enormous number of returns which causes not only great annoyance to the taxpayer but also costs the Government a great deal of money in the handling. policy would save much of the mechanical work of the collection of taxes which has been such a burden to the Bureau of Internal Revenue.

Some will argue that everyone should pay some taxes directly to the Federal Government, but I submit that this argument is not well founded when we understand that there are more than 30,000,000 wage earners in the United States who pay no direct tax to the Federal Government. My plan would increase that number by approximately 3,000-000 individuals.

In the last year or more, my interest has been very much devoted to the mechanics of tax collection, the cost thereof, and the simplification of the system. The adoption of the policy I have suggested would wipe out 91 per cent of the returns made.

After the aforementioned taxes have been

repealed and exemptions made, there will be approximately \$175,000,000 to \$200,000,000, which might be taken off as surtaxes.

I think a perfectly equitable plan would be to reduce these surtax rates 50 per cent, which would bring the maximum surtax rate on incomes of over \$500,000 down to 20 per cent. No logical mind objects to a reduction of surtaxes when those most needing it have first secured relief. The Federal Government, in

the fiscal year ending July 30, 1923, collected \$125,765,260, and in the fiscal year ending June 30, 1924, collected \$102,966,761 from

There seems to be no justifiable reason for the Government to give up this revenue. It is much more desirable. I believe, to have the Federal Government collect the estate taxes and divide with the states where the decedent maintained his legal residence. Such a plan might be adopted by the Federal Govern-ment, which in turn would divide the tax with such states as did not impose an estate or inheritance tax.

October, 1925

This could be done for the aid of good roads, forest conservation, public health and education, all of which would be constitutional and the carrying out of a policy which is now followed by the Federal Government in contributing to the states for those purposes.

#### Summing Up the Tax Situation

#### By ROBERT B. SMITH

Member of the Washington Staff, Philadelphia Public Ledger

"EDERAL taxes are going to be reduced-that much is settled. On that question, the ayes have it, unanimously The biennial congressional elections are coming on next year and senators and congressmen, armed with pruning knives sharpened to a razor's edge, are rarin' to go. Neither pork nor pie tastes half so sweet to them this year as a slice off the taxation cake. No such unanimity has been seen in Congress in years.

The harmony extends also to the need for promptness of action. All members, espe-cially those running for reelection, want the voters to feel the reduction before they step

up to the ballot box again.

But tax bills always move at a snail's pace despite the best intentions and it is recognized that only the breaking of all speed records for revenue legislation will enable Congress to enact a reduction measure in time to give the taxpayers its benefits before March 15. when the first instalment of this year's taxes falls due. Delay beyond that date would create confusion both to the taxpayers and

the Government, even though some expedient might be devised to bridge the interim before final enactment of

#### Full Speed Ahead

WITH that in mind, lead-ers are making commendable preparations to hasten action. The House Ways and Means Committee has been called to meet in October, nearly two months ahead of the convening of Congress, to begin shaping the reduced levies. The Committee aims to have the bill ready to report to the House when Congress meets in regular session in December. The Christmas recess will be cut short if necessary to force its passage by January 1.

That will put the responsibility for delay, if there is any, squarely up to the Senate. But that body is incorrigibly slow-moving and proud of it. There is no reason to believe that any senator will undertake to delay action intentionally but all will want to talk on the subject and senatorial courtesy opposes gag rules. Leaders promise to take every precaution to keep the bill from becoming mired in the bog of senatorial sluggishness and with the help of the powerful goad of public opinion perhaps they will succeed despite cynical views in some quarters based upon the experiences of the past

In order to make passage of the bill by March 15 certain, it is being suggested that President Coolidge call Congress into special session a month or six weeks in advance of the regular convening date. Such a plan, it is argued, would allow ample time for action and leave no excuse for delay after March 15.

Up to this time, however, Mr. Coolidge apparently has not been impressed by the arguments for a special session. He is counting upon the overwhelming force of popular sentiment in favor of tax reduction to over-come all obstacles to speedy passage in

So popular is tax reduction that it is becoming more and more apparent the Administration will be compelled to step on the brake to keep the legislative machine from tax cutting far beyond the limit of reason and sound finance. Above all the babel about what should be done, it is not unusual to hear enthusiastic politicians blithely predicting a reduction of \$750,000,000, which is just about double the figure set by sober-minded economists.

The unanimity ends, however, with the general agreement on the necessity of reduction and the desirability of prompt action. Beyond that point lie the rocks and shoals of dissension. When it comes to the manner dissension and extent of the reduction, there are almost as many "programs" as there are members of Congress and main lines of cleavage are already becoming sharply defined.

In general terms, Congress will split up

between conservatism and radicalism. Party labels probably will be less in evidence than ever before. Leaders are finding it more and more difficult to make taxation a party

question.

#### Would "Out-Mellon Mellon"

ONSERVATIVE Democrats, of the type CONSERVATIVE Democrats, of the type of Underwood, of Alabama, Glass, of Virginia, and Bruce, of Maryland, are openly proclaiming their determination to "out-Mellon

Mellon." They are lining up with the "regular" Re-publicans in support of a program substantially in accord with that favored by the Administration.

On the other hand, the radical Democrats and the insurgent Republicans will be found as comrades-in-arms opposing those measures supposed to have the support and sympathy of the Administration. Their coali-tion will not be as powerful as it was in the last Congress when they scuttled the "Mel-lon plan" and substituted their own. They will miss Senator La Follette. The Administration forces, too, in both houses will be stronger than they were at that time. Where there is wavering

on any of the principal issues presented by the tax bill the tendency will be to wobble to the Administration side because there lies the hope of getting the Coolidge endorsement for reelection next year.

Moreover, the Administra-tion learned a thing or two about tax-legislation strategy in the previous Congress Secretary Mellon may not be a politician but he is an apt pupil. This year, there will be no "Mellon plan" set



"Sweet Mamma!"

forth in definite terms and sent to Capitol Hill for Congress to sign on the dotted line. Congress will be let free to do the formulating. Its pride of authorship, a powerful fac-tor in legislating, will be scrupulously re-Its pride of authorship, a powerful fac-

spected and tactfully pampered.

The Administration will keep a watchful eye and a guiding hand on developments.

Probably the nearest the Administration has come to setting forth its tax views in definite terms was in a recent letter of Garrard B. Winston, Under Secretary of the Treasury. He laid down the following general outline:

First. The Treasury believes that the federal estate tax should be abolished.

Second. It should be possible from a revenue standpoint to have a maximum normal and surtax combined of 25 per cent. The Treasury thinks therefore that 20 per cent is the highest surtax which should be now in the law.

Third. An income tax on corporations gradnated on the amount of income has no logical The theory of a graduated income tax is that it is related to the capacity of the taxpayer to pay: A man with \$100,000 can spare a larger proportion of his income than a man with \$10,000. This reasoning has no relation whatsoever to corporations.

It is a rare statesman these days who does not have his own personally conducted tax plan but of all the prophets probably none is better qualified to speak with authority than Senator Reed Smoot, of Utah, chairman of the Senate Finance Committee, which takes charge of revenue legislation after it leaves the House. Senator Smoot has outlined his program to Nation's Business as

1. Cut taxes approximately \$350,000,000. 2. Reduce surtaxes to a maximum of about

25 per cent. 3. Slash the normal tax rate to 1 and 5 per

cent. Repeal all estate, gift and nuisance taxes. 4.

5. Reduce the flat corporation tax to 10 per

6. Repeal the publicity section. Get all this done before March 15 so that the taxpayers will get its benefits before the first instalment of this year's taxes falls

#### Opposition Point of View

THE opposition point of view is perhaps best set forth by Senator Couzens, of Michigan. Since becoming a senator, Mr. Couzens has devoted much of his time, as chairman of a special investigating committee, to a study of the tax problem and Treasury administration. He has evolved a tax plan of his own. around which it may be expected many of the Democrats and the Republican insurgents will rally. In a nutshell, it proposes to start the reduction with the small incomes by raising the exemption to \$5,000 and leave surtax revision until the last. When other

reductions are accomplished he would then be ready to go along with the Administration in supporting a 20 per cent maximum.

Senator Couzens, in the opinion of most students of tax legislation, has drawn the lines over which the battle will be chiefly waged, although insurgents of the Norris and Brookhart variety probably will make a fight first to keep surtaxes virtually where they

are at 40 per cent maximum.

Representative Green, of Iowa, chairman of the House Ways and Means Committee, which soon will meet to begin hearings and the actual drafting of the bill, is in sub-stantial accord with Senator Smoot on the tax program, except as to the estate tax. He has worked out a compromise scheme, designed to bring about eventually the establishment of a uniform system under which inheritance taxes will be left exclusively to

the states for collection.

In the Democratic efforts to "out-Mellon Mellon," Senator Underwood, of Alabama, who is about to retire from politics, has proposed a cut to 13 per cent in surtaxes. A somewhat less drastic program is outlined by Senator Robinson, of Arkansas, who has succeeded Mr. Underwood as the Democratic leader in the Senate. Senator Robinson, whose aim, of course, is to unite the Democrats on a plan they can support with party solidarity, thinks the surtax reduction should go no further than 20 per cent.



the poor-house if a knockout blow of ill fortune or ill health puts us off the earning mup before we die; live on credit before we die, and after we die leave those who have cared for us to chance, or luck, or the devil?

A careful examination of inheritance taxes. both federal and state, and their workings, leaves one with the curious sense either that saving is regarded by legislators as a sin, or as a source in which hands can be dipped in other folks' property up to the point of con-fiscation. In a word, either saving is a sin, or confiscation in the form of taxes duplicated on the same legacy is theft. President Coolidge has said and reiterated that taxes beyond the absolute necessity to maintain the exonomical administration of government are theft, nothing but legalized theft

What did he mean? Why did he say this? Why has every savings bank in the land endorsed this much-quoted utterance of his?

is discouraging the tendency to save and lay up savings- especially the inheritance taxes.

#### Confiscation in America

VERY few Americans need to be told that the same tendency is at work in the United States. As the Bankers' Association, in their convention at Chicago in 1924, said: present system of imposing succession taxes is making possible practical confiscation and has become well-nigh intolerable.

Immediately after the war, it was computed that owing to these taxes some thirty billions of savings had gone into tax-exempt securities, but these bonds while exempt from income taxes are not exempt from inheritance taxes. And when the outcry was raised that rich men were dodging taxation by going into these forms of investments, it was found the outcry was false for two reasons: First, the great proportion of these the rich man could not have switched into these bonds if he had wanted to, for the simple reason that the shares he held took such an awful slide to bottom from 1920 to 1922, he could not have switched out of them without a sheer loss of 75 to 80 per cent of his entire fortune.

Of this, examples hardly need to be given. C. P. R. slumped from 160 to 100 and some Southwest rails almost to a vanishing point in receiverships from which they have since emerged triumphant; the best oils went from 160 and 200 to 38 and 40; some of the best good old stand-by industrials from 160 to 60. Sensible investors knew this was only a temporary fall and that values would come back, but they had to hang on. They could not sell what they had bought at 150 for 38 and go into bonds at 98 or 104.

We need not question whether the rich man's motive was selfish or unselfish. We'll leave his motives out of it, and deal with facts as they bear on inheritance taxes against the man who saves instead of squanders.

Will his heirs really get what he has scrimped to save? Or will his savings go to support a lot of people who will not save and will not work as hard as he has worked?

No one objects to paying legitimate taxes to a country in which he has prospered; but the question is: Should taxes take all he has saved? Is that fear behind the present disregard of saving against the future rainy day? If so, why save?

It is one of the most important questions before the American public today; for there are more subtle ways to confiscate property

than the seizures of a Russia.

Uncle Sam has been a most generous and most fair taxmaster. The fault is not with Uncle Sam. It is with a system that has crept in unawares in both state and federal taxes. I know of one case where a tax of several hundred dollars, plus four times as much in frozen real estate, in the slump of 1920-22, fell to under a hundred dollars. The taxpayer was asked to appear at the nearest office and explain the sudden slump. On examination it was found the taxpayer had not deducted bad debts, depreciation, interest in arrears, notes discounted to carry distressed debtors, whom pressure would have put in the bankruptcy court but leniency carried over the bad spots to solvency; and almost the entire tax was refunded to the taxpayer. I happen to know that case, for it was myself.

#### You Felt You Were Secure

THE POINT is—what are our inheritance taxes, as they stand, doing to the average savings of the average investor?

There are reasons why bonds—even taxexempt bonds—are not as attractive as before the war or during the war. These reasons hardly need to be given. They pinch every mother's soul in the land. You have bought a bond in 1914 at 98. It has advanced to 104. You sacrificed present whims to buy that bond. Now you want to sell it. You do and get 104. That 104 will buy only 50 to 60 per cent of what it would in 1914; so why save? On \$1,000 savings, you might just as well have squandered \$400. You would have been just as far ahead.

We'll suppose, then, instead of bonds out of your hard-earned savings, you bought either good industrial shares or good rail shares, which were very low in 1913 and 1914 before the war. Good! You saw your judgment justified.

During the war those shares went far above par. Some doubled in sheer earning value. You felt your dependents were secure. But—were they?

Here is what happened to one estate I know. It was chiefly in good rails—old reliable rails that have not missed a dividend in twenty years and what wasn't in rails was in farm lands, which can't run away and had doubled in value from 1000 to 1020. That year the head of the family died, happy that his dependents were secure from want. The federal and New York state tax took, as I survey the record, about \$7,000. He expected that, but the rails he held ran through ten other states, and they took another slice of \$3,500, KE,Phase which he had not reckoned upon.

But that was not what reduced the value of his estate to nil, for his desperate dependents. In each of those ten states waivers had to be obtained before the bank handling his estate could transfer to the heirs. In some of those states, as many as seven different affidavits had to be filed with aftorney with probate fees; good for the probate court and attorneys, of course, but desperately hard on the heirs.

In three or four of those ten states the waivers were delayed from six to eighteen months coming back; for what could a horde of political job holders do if they hurried through their jobs? They wouldn't have their jobs. There wouldn't be jobs enough to go round; and what would the politicians do when the next elections came around? They wouldn't have votes enough to got in again, so the clearance in the courts dragged for eighteen months.

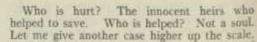
#### Took Their Own Sweet Time

THE BANK saw the crash of 1920-1921 coming. Anyone who knew the overextension of bad credits in Europe and South America knew the crash was coming. They implored, they begged, they urged haste in those waivers. The waivers took their own sweet time and bade the wicked banks of Wall Street to keep their shirts on. Were good western states going to be dictated to by these greedy plutocrats? Nav. nav!

plutocrats? Nay, nay!

The crash of 1920-22 caught the estate. Land which could have been sold at \$200 an acre fell to \$30 and had to be sold to clear up and distribute to the heirs. Rails which could have been sold at 60 fell to 20 and 13, and 3, and some went in receiver's hands. By the time probate expenses had been paid, of an estate of \$100,000, all hard-earned, hard-scrimped savings of toil-worn hands—not one dime remained for the heirs.

This is not a fiction story. It is a fact, and I regret I am not permitted to give names, dates, amounts and states, but there is not a banking association, a mortgage guarantee, or a title-investment company, which cannot give you a dozen examples



This time the man was an ex-soldier of the Civil War from Texas. He came north absolutely strapped, but he was an inventive genius. Now the inventor takes nothing from the public and gives to the public millions for every thousand others take from it. This holds good of rail devices, like Westinghouse, the telephone, light, cracking processes in oil and synthetic food products.

#### He Borrowed \$10 and Began

THE MAN'S device was in food products. With ten dollars borrowed and two cans, he began. For ten years he failed, failed frightfully, lost all he made, all he could borrow and all his friends could back him. This part of his story is unknown and always will be unknown outside of his very intimate friends, who afterwards got back what they had loaned him when he did succeed.

If this struggle had been known, he would have been assailed by rival patents and fake patents, but he did finally succeed and left an estate of more than a hundred million to his widow. By his invention he increased, to every farm, prices of fruits and vegetables and perishable products which could be reduced to condensed form good for long keep

and distant use.

A hundred similar inventions followed in the wake of his and it is as impossible to trace all the benefits of his work as it is to trace all the benefits of electric devices. He was a pioneer in the wonderful processes of canning foods and preserving vegetables and fruits absolutely fresh, so that berry growers of the Pacific Coast can today barrel the raw, hulled strawberry and loganberry and send them fresh to New York in June to be kept and used fresh for a year.

Suffice it to say be earned his huge estate and left humanity immeasurably benefited by it. Should such an estate then object to pay-

ing inheritance tax? No; it didn't. It paid inheritance taxes and passed on to his widow. His widow, foreseeing the thing was going to run into a hundred ramifications, sold

out the shares in his c o m p a n y, which shares are now held by the general public, and have increased 200 to 300 per cent. She reinvested in rails, bonds, industrials. By her excellent judgment and wise, thrifty living, the estate grew to almost two hundred million dollars. And now the widow died, leaving, I do not

think I am wrong in saying, 60 per cent of the total to charity, education, philanthropy and scientific endowment.

Remember, the man had not robbed a living soul getting his wealth. He had added immeasurably to other people's wealth in gaining his own—especially to the income of small producers in milk, cream, fruits and vegetables. He had put his wealth in a company, otherwise he could not protect his



Taxes that configure are legalized their

processes. They were not secret processes; they were well known; but he had made them succeed by sanitary care in detail when, from lack of such detail, rivals using such processes had failed.

Let us see what the inheritance taxes did to that estate. Her native state took \$700,000. Federal taxes took \$1,800,000, but the rails she had held ran through many other states. One state was six months clawing over the reports, and another was over ten months, another eighteen months. Another had already had seven different legal reports at such fees as are charged against such estates, to the loss of the endowed beneficiaries. In one state during the useless delays the securities fell in value \$36 a share on 1,000 aboves of security and the securities fell in value \$36 a share on 1,000 aboves of securities fell in value \$3.00 a share on 1,000 aboves of securities fell in value \$3.00 a share on 1,000 aboves of securities fell in value \$3.00 a share on 1,000 aboves of securities fell in value \$3.00 a share on 1,000 aboves of securities fell in value \$3.00 a share on 1,000 aboves of securities fell in value \$3.00 a share on 1,000 aboves of securities fell in value \$3.00 a share on 1,000 aboves of securities fell in value \$3.00 a share on 1,000 aboves of securities fell in value \$3.00 a share on 1,000 aboves of securities fell in value \$3.00 a share on 1,000 aboves of securities fell in value \$3.00 a share on 1,000 aboves of securities fell in value \$3.00 a share on 1,000 aboves on the securities fell in value \$3.00 a share on 1,000 aboves on the securities fell in value \$3.00 a share on 1,000 aboves on the securities fell in value \$3.00 a share on 1,000 aboves on the securities fell in value \$3.00 a share on 1,000 aboves on the securities fell in value \$3.00 a share on 1,000 aboves on the securities fell in value \$3.00 a share on 1,000 aboves on the securities fell in value \$3.00 a share on 1,000 aboves on the securities fell in value \$3.00 a share on 1,000 aboves on the securities fell in value \$3.00 a share on 1,000 above a securities fell in value \$3.00 a share on 1,000 aboves on the securities fell in value \$3.00 a share on 1,000 aboves on the securities fell in value \$3.00 a share on 1,000 aboves on the se

fight the graft, which on appeals may total thousands. Also remember when an estate fights graft in a tax, the state pays the costs for the "graft" fight, and the public never stops to consider public taxes pay for the defense, though the defense is foredoomed to fail from the first.

This is much worse than petty graft. It is, as President Coolidge plainly says, legalized theft.

This estate has now paid multiplied taxes on one railroad to six different states; in another to ten, in another to seven.

The bank could have fought and won legally in every case; but the charities would have had to suffer the loss in fees for the in New England and the west today, sold under forced proceedings, would not yield their tax valuations. I witnessed such a sale not a year ago. It was worth easily \$20,000 and so valued by appraisers. Only by the heirs getting together in harmony was the place salvaged and bought by one of the heirs at \$10,000.

Let me give you one more case. A penniless boy from New England, after the Civil War, reached a great city in the northwest, like Dick Whittington, with not much but his carpet bug, but he judged it would become a great rail center, which it did. He began work at \$4.00 a week in a packing house. While still a struggler he met a girl



shares of common stock fell from 60 to 13. There was no excuse for the probate delay here. Not a flaw was found in the proceedings and the job-holders got not a cent more in pickings, but the beneficiaries got \$94,000 less. In this state it was so obvious that a little grease would have hastened matters that the banks were furious, but bribed not a dime; so the charities lost \$94,000.

In a third state the proceedings degenerated to the ludicrous, surpassing any Charles Dickens story of Chancery. The banks sent a check-I forget whether it was for \$4,000 or for \$15,000. The state refused to cash it. Said it was fifty cents short. The bank sent the fifty cents. The state then sent the bank an extra charge of \$7.00 for interest on the uncashed check pending the hold-over of letters going and coming. If this dispute had gone to court, the banks would have won, but would they have been justified in an additional expense of \$5,000 or \$10,000 to fight an illegal charge of \$7.00 interest on an uncashed check? They did not think so, and paid the \$7.00 under protest; but when some similar cases were carried to the Supreme Court, at an infinite cost to the heirs, the bubble of this petty graft was pricked.

By a recent decision in Wisconsin, the Supreme Court disallowed not only the excess tax but any such duplication of tax at all; but the average small estate and even the hig estate donated to charity do not want to dissipate cash due the heirs by fees to fight, and the bank did not feel justified in incurring that loss.

What is to be done about it?

Talking to a young girl lately in a Pacific coast state, who inherited about \$10,000 from an aunt in greatly depreciated property, I was told she had practically had to "give away" a third of the property in sales at depreciated prices in order to meet the laws for waivers, or fight, and her lawyer was one of the best judges on the Pacific coast. In this case the "grafters" pressed for immediate sales to clean up, though there were no other heirs. In another case in the east where they did fight and win, after fees were paid, of an estate of \$40,000 less than \$4,000 remained for the beirs.

It is worth considering, isn't it?

#### Close to Legalized Theft

IN MANY of the states the exemptions run from \$500 to \$10,000 for children and widows, but for cousins, sisters, near relations, equally dependent and deserving, the taxes run up from 20 to 40 per cent on even \$15,000. If this is not legalized theft, it is mighty close to it, for an aged sister or an aged mother is often as deserving as children or widow; and 40 per cent off \$20,000 is a serious hole in hard-earned savings.

Especially is this true when land has to be sold to distribute the estate, and the distribution may have to be made at a time when \$20,000 worth of land sold by auction will not yield half its real value. Many farms

in his boarding house with whom, in sheer loneliness, he fell in love. They married. Three weeks after marriage he found she had been married before and never divorced her husband, and within a few months she left him and married another youth with more money.

He never exposed her and presumably forgot her and grew with the great city, dying in his fifties with a great deal of

farm land to his credit and a large cash account in the bank from growing values in the real estate of the city. He left his entire estate to his sisters and very aged mother. At once turned up the lawyers for the early unfortunate marriage with an heir preceding the union. Of course, it was never a valid marriage, and over thirty years had passed.

A fire had destroyed all records in that

A nre had destroyed all records in that city. Here the probate court had at least the bonor among thieves. If the contest were prolonged, the state officials knew very well the estate would be dissipated among the vultures who had everything to gain and nothing to lose. If the estate could be settled quickly, the cash in the bank could be saved for the heirs. On the quid pro quo, "you sign clearance, we'll save the cash for you," the heirs signed off and got the cash in the bank. The land they let go. Who got it? They didn't. The probate fees were \$10,000. That and the farm lands did very well for the state, but I wouldn't like to wager the state got either the probate fees or the land.

That is why the Bankers' Association in 1924 called to high heaven for a reform in all states in inheritance taxes, for the banks must have guessed the untold in this case, and they were powerless to stop it.

And it is a reform that touches every mother's soul in the land, unless it is a sin to save, and the property of a dead man may be stolen with impunity, when the property of a living man can't.

#### Why We Should Lend Money Abroad

#### By GEORGE E. ROBERTS

Vice-President, The National City Bank of New York



George E. Roberts

HAVE read with much interest the article by Mr. W. L. Clause, and am in agreement with a great portion of it, although not with some of his conclusions.

All that he says about the inherent difficulties in a situation where large payments are supposed to be remitted be-

tween countries in money is well stated and incontrovertible. The explanation of why so little heed was given to these difficulties for years in the negotiations over reparations must be found in the general ignorance of populations about the means of international

payments, and the timidity of public officials about attempting to instruct them or oppose their blind demands for cash payments. difficulties were understood by many economists and bankers, but such people do not cut much of a figure in the making of governmental policies. If they had been making the policies, it is safe to say that the war would not have occurred, and this perplexing body of international obligations would not be in existence.

#### Problems Self-Adjusting

MR. CLAUSE sets forth the re-ciprocal nature of trade to distinguish between payments arising from trade and payments required by indebtedness. He views with concern the prospect of the United States becoming a creditor nation, with an income from foreign investments, flowing in, as it must if it comes at all, in the form of foreign products.

It is true, as he says, that in foreign trade, under normal conditions and in the long run, problems of exchange are self-adjusting: "One hand washes the other and this must be so if foreign trade is to continue." "Obligations growing out of foreign trade must be liquidated on the spot or for-eign trade would stop over night." "Foreign commerce is largely an exchange of goods, so that each current has its counter current This statement of the fundamentals of trade is so good that it might be appropriately read at the opening of all our foreign conventions.

Nevertheless, modern business has gone a good way beyond simple barter. It has developed means by which payments may be postponed a long time and by which claims and obligations have attained a very definite status as property in themselves. There has grown up a very large commerce in debts, or obligations, both domestic and foreign. In any calculation of the flow of payments, either between countries or between different sections of the same country, the "intangi-bles" are a very important factor. Moreover, they naturally grow in importance with increasing wealth and trade, and as modern facilities of communication bring all peoples into closer relations. The war, however, was responsible for an enormous increase in international indebtedness.

The difficulties arising over the war debts are due to the fact that the trade of that time was of an abnormal character. They were created by a great one-way movement of commodities. No such volume of exports to Europe as that for which these debts were incurred could have taken place under any other than the war conditions. It is impracticable to have a return movement of like volume and rapidity in times of peace, and since it is agreed that payment can be made only in goods or services, the situation presents an obvious problem.

These war debts are in a class by themselves. They do not represent any policy but the policy of winning the war. We are not contemplating any more government loans to other countries for war purposes, but having these on hand we will have to manage them

L AST MONTH, NATION'S BUSINESS published an article by W. L. Clause, of the Pittsburgh Plate Glass Company, telling why he believes we should keep our money at home-why the United States should not become a creditor nation.

A question as important as this one has two sides. We asked George E. Roberts, vice-president of the National City Bank of New York, to write the other view for our readers.

In this article, Mr. Roberts tells what has been done with our credits in Europe, why he believes our loans to foreign countries have helped conditions at home, why money-lending abroad is of interest, not alone to bankers and money-lenders but to business men as well.-The Editor

as best we can. The policy of the Government as developed by the settlements thus far made is that of spreading the payments over long periods, for one reason, to minimize the

burden of taxation to the debtor countries, and, for another reason, to avoid the disturbance to industry and trade which would result from attempts to make the payments more rapidly.

The war loans are in a category by themseives also, because they were not made for productive purposes in the usual sense. The proceeds were consumed and added little or nothing to the permanent wealth of the borrowing countries. In this respect these loans are radically different from peace-time bor-

#### Conditions Far From Normal

THE loans since the war also have been made under conditions far from normal but, unlike the war loans, have been made for reconstruction purposes. Europe was sadly disorganized by the war, not only industrially but financially. The governments have had need for new capital to enable them to support or reorganize their currency systems and to meet their necessary expenses until internal conditions were such that they could be met by taxation or internal loans in the

These needs are illustrated by the cases of Austria and Hungary, where the League of Nations became sponsor for external loans. In the case of Austria the principal European states having membership in the League actually stand as guaranters of the loan. This is mentioned simply to show the generally recognized necessity for outside aid to deal with such conditions.

#### German Loan Was Necessary

THE German foreign loan is another illustration. It was necessary in order to make the Dawes Plan operative, and the Dawes Plan or something like it was neces-sary to the establishment of industrial order in Europe and as a preliminary to the collection of any of the indebtedness from continental countries to the Government of the United States. We had an interest

in that situation.

The loans that have been made to France and Belgium have been either for industrial purposes, which will directly or indirectly increase the revenues of those countries, or for the purpose of stabilizing their currencies, which is equally necessary to the solvency of the public treasuries. The loans to other European countries, Holland, Switzerland, Czecho-Slovakia, the Scandinavian countries, and to municipalities and private corporations in Germany and elsewhere, all have been for the same general purpose, to-wit: to restore industries and business to a normal basis, thus increasing the revenues and debt-paying ability of all countries, including of course those indebted to the United States Government. The countries of Europe are all more of less interdependent. A credit which

gives increased purchasing power anywhere in Europe reacts helpfully upon the entire

situation.

That there has been a shortage of private capital in Europe for the rehabilitation of industry is sufficiently evident from the interest rates that have been prevalent. The loans that have been made there to industries have aided in providing employment for the people, and it hardly can be questioned that employment has been of fundamental importance in the restoration of normal conditions, not only there but here and over the

I cannot forbear a reference to what think is the moral obligation which has rested upon the United States to grant aid to Europe in the great emergency which has ex-isted there. I do not believe the people of the United States would have been able to justify themselves in history if they had stood aloof and refused to supply the needs of Europe to at least the extent they have done through the granting of these credits. It is easy to be unfairly critical of masses of people living under the conditions which have existed in Europe in the last six years.

Happily in this country we never have seen conditions so trying as have prevailed



ENINE SALLOWAY, N. T.

A BIG LINER in from Cuba unloading a cargo of raw sugar at the New York waterfront. American investments in Cuba have greatly enlarged and cheapened the supply of sugar, Mr. Roberts points out in this article. Capital used for the upbuilding of any

country tends to increase the purchasing power of that country, and so increase the trade of the world. The experience of Great Britain and Germany has been that foreign investments increase the trade of the home country, opening up new markets wherever they are made

OFFICE SALIDERS, S. Y.



This picture shows a typical war-torn factory in France shortly after the signing of the Armistics. Right: The same lantary built up again through the help of American money. Our foreign louns have helped to restore industry and business to a normal basis, and have increased the revenue and debt-paying shillity of European countries

in many parts of Europe in these years. Industrially disorganized, money more or less worthless, credit almost non-existent, politically torn by factions, harassed and confused by all the "isms" and kinds of agitators that afflict modern society, is it any wonder that the peoples of Europe have not always acted with perfect wisdom? Even in this country public policies at times are more or less halting and uncertain. The most impressive thing in Europe is that it is steadily surmounting its difficulties, reestablishing orderly industry, and giving evidence of willingness to work when work can be had. The credits obtained in the United States have been of great assistance.

#### What Credits Were Used For

THERE is another justification for these loans, not at all altruistic. It is surpris-ing how many people think of these loans as of no interest to anybody in the United States but the bankers and money-lenders. has been done with these credits? With the exception of the gold which has gone to the central bank of Germany, and which was borrowed for that purpose, the credits have been practically all used for purchases in this country. Mr. Clause says very truly that we could not have had the exports without the loans or made the loans if we had not been in position to supply the commodities which Europe was wanting.

Our trade with Europe in each of the last five years has been as follows:

years	Exports to Europe	Imports from Europe
1920	\$4,466,090,927	\$1,227,842,745
1021	2,363,898,936	764,942,003
1922	2,083,356,710	991,203,068
1923	2,093,415,151	1,157,055,754
1024	2,444,490,079	1,096,356,118
	\$13,451,251,803	83,217,399,688

Excess of exports to Europe in five years-\$8,213,852,115.

This excess of exports over imports in our trade with Europe has had to be settled

in some way, or exports would have been it if it it et big beiten be be i curtailed. Some of it was settled in tri-angular fashion, Europe using credits which it had in trade with other countries to purchase credits which those countries had with us, but these credits were far from sufficient to balance Europe's account here. Some of it was settled by shipments of gold, but it is evident that the proceeds of our loans to Europe have been an important factor.

Without these loans, the pressure for exchange on the United States would have been greater, and exchange rates almost certainly higher, which would have tended to reduce our exports. The only way this influence upon exchange rates could have been prevented would have been by Europe shipping us more gold, and we do not want the new gold production of the world flowing in a constant stream into the United States. We have more than our share of the world's

If We Had Refused to Lend?

IT IS a menace to our price and credit situation. Furthermore, the gold standard is useful to us as a world standard, a common basis of values with other countries, but it can serve in this capacity only if the other countries are able to acquire the necessary reserves as the basis of their currencies. It is altogether improbable that Europe would have progressed as far as it has in the sta-bilization of its currencies if this country had not been lending freely.

To sum up the case for these loans, Europe at the close of the war was industrially and politically disorganized. It was vital that the governments should be sustained, order maintained and the people supplied with the necessaries of life until normal conditions were restored. The United States has been the great source of supplies of every kind, and it was important also to the United States that Europe should continue to take the products which always had found a market there. What would have been the effect upon

our industries, if Europe's means of buying here had been curtailed by our refusal to make loans, and exchange rates in this country had been higher in consequence? What might have been the effects in this country over these five years of still lower prices for our farm staples? What might have been the effect upon the United States of having all Europe collapse as Russia collapsed?

It is true that the extraordinary needs of Europe, together with the disturbed state of the industries in those countries and our

0.0.0.0 War

own tariff policy, have resulted in a continuing large trade balance in our favor since the war, which has been settled by means of gold imports and loans. The situation, although abnormal in contrast with trade before the war, has been natural under existing conditions. It is all in the process of restoring Europe's productive capacity and of getting the world back into a normal state of equilibrium.

#### Situation Is Not Permanent

IN SO far as loans to Europe are concerned, and they were about one-half the total of our foreign loan last year, they may be likened to loans to a region which has suffered from a crop failure. The situation is not to be regarded as permanent. Prior to the out-break of the war, and down to its very beginning. Europe was the source of practically all international lending, and the idea that the United States must lend to Europe in order that the latter might buy in this market never had been heard of

The countries of Europe are short of working capital now, but they are accumulating. and without doubt will recover their position as lenders and investors over the world, although the United States probably will share that position with them hereafter. Some of the European loans floated in this country at high rates of interest are being paid off already, by refunding operations in Europe. Some of them have been largely bought up by European investors in the open market

As interest rates decline in Europe American investors will look elsewhere for loans, and as the European industries get on their feet the trade situation will tend to come more nearly into balance. The loans which this country is making in Europe have the effect of quickening these tendencies.

The idea that we should arbitrarily stop making loans to Europe looks like a rather drastic proposal, having regard both for the present European shortage of capital and our own dependence upon exports to absorb our surplus products. That policy if enforced since the war would have completed the prostration of the world. It seems to me that Mr. Clause has his attention so fixed upon the possibility of an embarrassing volume of importations some time in the distant future, when these loans are to be paid, that be disregards the more imminent danger of embarrassment from having our own products back up in the home market, although he recognizes that this is the alternative.

#### To Restore World Prosperity

HIS proposal looks to me like hastening to meet trouble. If we give what cooperation we can to help restore world prosperity, it may be that the remote danger will never materialize. Of course, the country does not want unemployment, either from excessive imports some time in the future, or from a sudden curtailment of exports now, but the present situation is the one commanding our first attention. The difficulties which undeniably exist cannot be altogether escaped or all settled at once. They arise from the enormous disturbance caused by the war, and the adjustments which are required are accomplished over an extended period of time. It is not to be supposed that the people

of the United States ever will withdraw to their old position, almost wholly within the boundaries of their own country. The development and capital accumulations of this country are such as to make it inevitable that we shall have a larger part in the trade and development of the rest of the world.

Our people are becoming investors abroad, not alone by the purchase of bonds but as proprietors. If tariff barriers obstruct the foreign distribution of their goods, they set up branch establishments within the protected regions, as we see Germans, Swiss, Englishmen and others doing in the United States. The problem of bringing home the earnings

same whether in the form of loans or proprietary investments.

It is very prob-able that the American investments abroad never will be less in the aggregate than they are now, in which case there will be no problem as to the return of the investments heretofore made.

Increasing im ports arising from foreign investments do not necessarily signify that domestic production is diminishing but simply that the aggregate income of the country is increasing. Income from foreign investments is additional income, over and above that received from domestic sources, and if all expended for imports the total of domestic income would still be available for expenditure at home.

In so far as this income from abroad was used to make additional investments abroad, as the British and Germans have used some of the proceeds of their loans and trade, it would signify an accumulation of wealth and a reserve resource to the investors. It can be converted into imports if desired, but economic conditions may be relied upon to prevent such conversion except upon favorable terms. Meanwhile, capital used for the upbuilding of any country tends to increase the purchasing power of that country, and so increase the trade of the world and promote the general welfare.

The experience of Great Britain and Germany has been that foreign investments increase the trade of the home country, opening up new markets wherever they are made. That is our own experience in Mexico, Cuba, Canada and elsewhere. American investments in Cuba have greatly enlarged and cheapened the supply of sugar for this country, and we pay for it with our own products as truly as though Cuba were within the

boundaries of this country.

Our foreign trade is increasing all the time, and its character is changing. Despite tariffs our industries are becoming more intimately related to those of other countries. In the calendar year 1924, 54 per cent of all our imports consisted of crude materials or manufactures for further use in our own manufacturing establishments and 43 per cent of our exports were crude materials or manufactures for further use in foreign manufacturing establishments.

Our imports of manufactures ready for consumption were only 21 per cent of our total imports, while our exports of manufactures ready for consumption were 35 per cent of our total exports. Our exports of manufactures ready for consumption were more than double our imports ready for con-

sumption.

In view of these facts as to the character of our foreign trade, why should it be assumed that an increase of imports will be necessarily barmful, particularly when we are told that a growth of imports is necessary to a growth of exports? It is evident that our imports must increase very largely to meet the growing demands of our industries and the growing consumption of the population.

The question of how far a protective tariff is consistent with the expansion of international business relations is a pertinent one and opinions undoubtedly differ upon it. I presume there are few practical men who would favor any policy that would suddenly open our markets to a flood of foreign competitive goods, and I take it for granted that there will be no sudden change of our na-

tional policy in this respect.

Undoubtedly as an exporting and creditor country we should give some consideration to the question of how our debtors will be able to make payments to us. That is only common sense in business, and if we fail to observe it the exchanges will turn against us and our exports will fall off. We must not close our eyes to the reciprocal character of trade, or fail to consider that in carrying the protective idea too far we may handicap industries which have greater inherent possibilities of development than those we are seeking to assist.

#### World Trade Will Increase

THE protective tariff undoubtedly has ac-complished much in developing and diversifying the industries of the country, but it should be applied in a manner not inconsistent with advantageous trade and intercourse with other countries. It is a mistake to think that we should produce everything we consume. All of us as individuals buy services which we might perform ourselves, but we think we can use our time to better advantage, and the same policy should govern the development of our industries.

There is good reason for believing that the development of productive capacity the world over will be very great in the next twenty-five to fifty years, and the volume of international trade presumably will increase in like proportion. If individual initiative and enterprise is given a reasonable degree of freedom this country will have a share in that trade which will increase and not diminish the prosperity of our industries.

As to the suggestion that the United States Government cannot be depended upon to back up its investors abroad with its army and navy, as Great Britain is supposed to do, it may be said that the instances are very rare where the British army or navy ever has been

used for that purpose. It is a mistake to think that threat of war, or ability to make war, is a weighty factor in financial or trade expansion. The position of Belgium or Holland in world trade affords evidence on this point.

War is the enemy of peaceful industry and trade, but I do not believe that international trade or investments are going to cease or grow less from fear of war. On the contrary, I believe that they are destined to exert the strongest influence for peace and social advancement.



Bombardment during the war leveled this town of Vitriment, France. American money built it up again. The credits obtained in the United States have been of great assistance in helping Europe surmount its difficulties, give employment to its workers, and reestablish orderly industry out of chaos

#### Business Joins the War on Crime

By F. S. TISDALE

THE CRIME situation in these United States has reached the point where some authorities dignify it by the term of armed insurrection. An admission of the parlous condition is found in the recent formation of the National Crime Commission. Business leaders and officials got together in New York and launched the organization to direct the counter attack against lawlessness.

It is impossible to present the unholy statistics of crime without appearing sensational. Therefore I am going to set them forth in the most sensational form possible in the hopes of shocking the business men of the country out of their complacency into action.

There are no complete records of the cost of crime in this country. According to estimates crime has surpassed legitimate pursuits and has become our greatest industry.

After a short pause to allow the reader to regain his breath I submit the following as a basis for the statement:

#### As Long as a Freight

AN OFFICIAL of the Ameri-can Bankers' Association, whose business is to know what he is talking about, estimates the money losses from crime in the United States during 1924 at \$4,000,000,000. Adding to this the cost of police protection, courts, prisons, mem-bers of the National Crime Commission pile up a grand total of \$10,000,000,000. estimate is said to be too high by some authorities but in the absence of definite statistics they admit that one figure is as good as another.

Figures, so long that they look like a Pennsylvania through freight, mean little by themselves. The mind has to have something to measure them by. Consider the fol-lowing: The estimated crime total is greater than the entire foreign trade of the United States for the same period; our imports and exports for the fiscal year of 1924 came to \$7,865,422,008,

The ancient and honorable

industry of farming attains the nearest approach to that ten billion; listed in government statistics as "Food and Kindred Products," the total value for 1923 was around nine and a half billions. came next with \$9,487,000,000. Lumber and allied industries trailed far behind with an ignominious \$3,633,000,000.

Dollars are one thing and human beings another. Therefore a recapitulation of persons gainfully employed in banditry and kindred pursuits ought to be even more entertaining. The number of prisoners in different institutions throughout the country is said to be about 200,000. Our entire criminal

population is estimated at 1,000,000. Then we have those aristocrats of crime who have -as the statistics so delicately put it-"unlawfully taken human life." Including pro-fessional gunmen with the winsome young girls who have shot their boy friends, our murderers are put at 135,000.

If you got all our murderers together and made them live in one city that sinister

huge robberies have become so commonplace that it takes some spectacular taid like that on the Drake Hotel, Chicago, to cause any comment.

Boys and women engage in banditry. The August Nation's Business carried a fullpage advertisement showing a band of pluguglies bombarding a motor car; the text advised business men to invest in bullet-proof

glass and armored waistcoats to protect their messengers and cashiers.

While gathering material for this story I asked a reformed gangster what was the going quotation for having a man killed in the city of New York.

#### To Fight Conditions

"OH," HE SAID carelessly, "if the guy don't amount to much you can have him killed for \$200. But you gotta pay more if he's promi-nent. Who is the guy you want bumped?"

F. Trubee Davison is chairman of the National Crime Commission which was formed to fight these conditions. He is a son of the late H. P. Davison who was a partner in the firm of J. P. Morgan & The chairman hopes to get the organization in motion before he is called to Albany in January by his duties as a member of the legislature. Many of New York's busi-

ness and political leaders are interested in the success of the Crime Commission. Some of those giving their time and influence to its organization are: Richard Washburn Child, former Ambassador to Italy; George W. Wickersham, former Attorney General of the mer Attorney General of the United States; Governor Smith of New York; Governor Silzer, of New Jersey; Charles S. Whitman, former governor of New York; John W. Davis; Franklin D. Roosevelt; William Travers Jerome: Judge E. H. Gary, of the United States Steel Corporation; W. H. Pouch, president of the National Credit Association; W. E. Knox, presiciation; W. E. Knox, president of the American Bankers Association; Guy E. Tripp, chairman of the Westinghouse Electric

Company. "We aren't going to create any new force for police purposes," Mr. Davison says. "We plan to gather all the information we can about crime and use it to arouse public opinion and to aid the agencies of crime sup-

"The commission will investigate crime and the methods of combating it all over the country. Anti-crime forces will be shown what plans have been found successful in different places. The movement will bring about a close cooperation between all the nation's

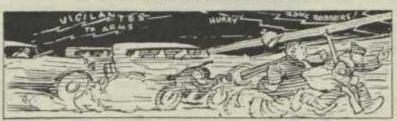
NO, RAFFLES, THINGS AIN'T LIKE THEY USED TO BE



Must any lows town at an hour when all the good are in bed



Some town two minutes later



The whole countryside a half hour later



And then the sun peeks over the hill upon a nice sporting scene like this

municipality would have a greater population than Salt Lake City, Utah, or Nashville, Tennessee. The criminals of the country outnumber the combined populations of Maine and Nevada. Locked in our cells there are more

than twice as many prisoners as there are people in Nevada.

Our crime wave seems to have grown into an ocean. We have ceased to comment on manifestations that must amaze and terrify every foreign visitor. Lower New York swarms with armored cars bristling with rapid-fire guns and flanked by grim young men with automatic pistols. Hold-ups and



agencies for the detection and punishment of lawlessness.

"Everybody I talk to has a pet theory as to the cause of the crime wave. One lays it to pistol toting, another to careless juries, another to coddling in prison, another to light sentences and so on. But they all agree on one thing—that back of all the trouble lies an indifferent public opinion. When public opinion becomes sufficiently aroused the drive against crime will become really effective."

#### Unraveling Business Crimes

THE BUSINESS man has a direct interest in this fight aside from a distaste for the possibility of being hit over the head with a gas pipe. The increase in commercial crime has been even greater than in other forms of lawlessness. Major C. E. Russell, who was with the Criminal Intelligence Service of the American Army in France, has become a specialist in unraveling big business crimes in New York, He has this to say:

"Most of the major robberies in New York these days are frame-ups. From 65 to 70 per cent of the store and loft thefts are arranged by proprietors of the concerns for the purpose of defrauding insurance com-

panies."

As an illustration he cited a case where a fortune in silks had apparently been stolen from a manufacturer. It developed that the silk was refused by a customer on the ground that it had been ruined in processing. The manufacturer engineered the robbery with the intention of selling the goods through secret channels and forcing the insurance companies to make good his "loss."

William B. Joyce, chairman of the National Surety Company, has made a long study of business crimes such as embezzlement, forgery, stock swindling, insurance and credit frauds. He does not agree with most authorities that prohibition is an important factor in the present crime increase though he admits it is to blame for much incidental lawlessness. He says the principal cause is the great increase in the volume of American business.

"The wealth of the United States has almost doubled in the last ten years," Mr. Joyce says. "It is now placed at \$330,000,-

000,000. In producing this vast increase corporations and business have expanded greatly. Correspondingly, opportunities for theft have multiplied and methods of protection against dishonesty have not kept mace."

Mr. Joyce lists as the second cause the change in ideas regarding religion, morals, and other spiritual conceptions. He gives as minor causes: envy by the poor due to the luxury and ostentation of the rich; disrespect for law and property rights due partly to the World War; desire for comforts, luxuries and dissipations beyond earning capacities; doctrines of anarchy, bolshevism and misrepresentation of book knowledge.

"Considering these factors," continues Mr. Joyce, "it is not surprising that losses of insurance companies from embezzlement, burglary and forgery are ten times what

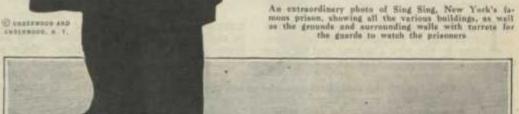
they were ten years ago.

"It must be remembered that the police are not in a position to prevent many financial crimes. The police can only trace and arrest embezzlers, forgers and swindlers after the offense has been committed. And arresting them is exceedingly difficult since the perpetrator makes elaborate plans for escape while he is plotting the crime.

#### The Way to Stop Lawlessness

"THE ONLY way to stop the spread of financial lawlessness is severe, sure and immediate punishment. For many years in this country the punishment of criminals has been neither severe, sure nor immediate. In my opinion the crime wave in this country will cease just as soon as the nation's successful business men join in a really serious, sincere, intelligent and determined effort to stop it."

The career of Nicky Arnstein illustrates the slow but unsure workings of our criminal system. Nicky conceived the colossal Wall Street bond plot of 1918. After years of dodging behind appeals, continuances and the like he was finally sentenced—to only two years in prison. The average sentence for boy tools of such "master minds" is three and a half years. By an inverse ratio the rewards of thieving messenger boys is





comparatively small-one boy who stole

\$104,000 got only \$20 out of it.

Even when the crook is unlucky enough to land in prison many states make his confinement as pleasant as possible. New York's Sing Sing prison is famous in song and movie as a synonym for all that is harsh and relentless in our penal system—it is supposed to be a hell of stone and steel where the evil-doer pays with compound interest for his iniquities. This belief seems to be a heartless libel against an amiable institution. Sing Sing inmates are regaled with the best motion pictures and theatrical performances. Some shows are seen at the prison before they get to Broadway-which may be classed as punishment for all I know. Less than half of Sing Sing's guests eat prison fare. The average day's work is three hours and a half.

Judge Alfred Talley, of the New York General Sessions Court, says that this pampering of prisoners by sentimentalists is a stimulant to lawlessness. He declares that "What we need are prisons that are prisons not country clubs, radio parlors and recrea-

#### Iowa Vigilantes Check Crime

IN STATES where sentences are severe and prisons unpopular, crime figures are more wholesome. New Jersey is better off than New York because she has a sterner code of law. "Jersey justice" has become a by-word and a warning. Law is still law in some of the smaller New England states and they have been only slightly infected by the crime epidemic-however, these commonwealths are not opulent and therefore do not tempt the

That crime can be checked by vigorous action is proven by the spectacular exploits of the Iowa Vigilantes. A few years ago crooks made a regular business of raiding the banks of that rich state. Some institutions were

visited three and four times in the same year. Burglary insurance rates mounted and Losses became so great that insurance companies considered withdrawing from the state.

At this point the bankers of Iowa decided that the time had come to do something about it. What they did was direct and effective. The Iowa Bankers Association organized Vigilante Committees all over the state. Young citizens were deputized, armed and trained to shoot straight. They were given pistols, rifles and sawed-off shot guns-

At the first alarm of a bank robbery the Vigilantes grabbed their arms and swarmed to the spot in fast motor cars. There is a saying that dead men tell no tales. It is equally demonstrable that dead bandits rob no banks. The orders therefore were, "Shoot to kill."
This application of organization and gun-

powder kept the insurance companies in Iowa and made the state extremely distasteful to cracksmen. In 1920 the state had fifty-six bank robberies with losses of a quarter million dollars; last year there were half a dozen robberies with losses of \$2,500. The insurance rate has dropped to one dollar a thousand.

In Iowa they don't stop with the capture of a burglar. As soon as an arrest is made special prosecutors are put on the case, indictments are obtained, the accused is speedily put on trial, heavy sentences are insisted upon and immediately put into effect. The jurors naturally have friends among the Vigilantes and convicted offenders are given the limit with great gusto.

Here is a record of Vigilante accomplishment in three years: Of eighty-nine robbers, six were killed, thirteen given life sentences, and sixty-one given terms totaling 1,263 years. Observe that the average sentence in that last item is more than twenty years per bandit. Compare that with the two-and-ahalf-year sentence given the debonair Nicky

Arnstein and draw your own conclusions. The Iowa plan is being rapidly adopted by other harassed communities. Kansas is or-ganizing in the same way. The idea has been taken up in Oklahoma, Illinois and Indiana

The Chicago and Cook County Bankers Association went a step further. When it organized patrols it placed a \$1,500 premium on dead outlaws. If you convict a bandit you get \$1,000; if you obliterate a bandit you

#### Fear Is Powerful Preventive

HARD-BOILED students of crime say that I lowa has found the answer as far as bank bandits are concerned. They do not deny that heredity and environment help make outlaws, but they point out with some show of reason that it is difficult to go back and reform the bandit's great-grandfather. They say you can't make Burglar Bill into a Sweet William by shaking your finger at him and telling him he must be a nice boy. That fear is a powerful preventive is shown by those old-fashioned communities where the police and courts produce that emotion. I am going to think long and seriously about killing a man if I know the result will be a test of strength between my neck and a length of Mexican sisal. Which same rule applies where the crook realizes he may encounter officers whose inclination is to shoot first and arrest afterwards.

In discussing the subject one of the hard-boiled said: "Reformers are always saying that hanging doesn't prevent crime. Maybe not. But it is certainly a considerable deterrent to the person hanged."

All these matters now engage the attention of the business men who founded the National Crime Commission. They are determined to make the industry of lawlessness highly unattractive to those adventurous youths whose life equipment is a desire for a lot of money and a loathing for work.

#### How We Can Save \$300,000,000

#### By Senator CHARLES CURTIS

Administration Leader in the Senate

THE PEOPLE of this country are deeply interested in the question of tax reduction by the next Congress and they are looking for and are entitled to a substantial reduction in taxes.

It is generally admitted that there can and will be a reduction of around three hundred million dollars and that the reductions will be all along the line because the people as a whole in one form or another must pay the

taxes imposed by the Government.

I believe even a much greater reduction could be made if the President were given the authority to consolidate bureau and governmental agencies, to transfer the work from one department to another whenever it would be for the best interest of the service. And I believe he could do it without impairment of efficiency. In fact it might aid to better results. Elimination of waste and extravagance has always brought better work, whether in government or in private activities. Our presidents could at all times be relied upon to have the good of the service in mind and to use the most economical methods of operation in the work of the various departments and agencies;

All will admit that there are entirely too

many boards and commissions; some should be abolished and others consolidated. We all know they overlap and duplicate. Once a board or commission is created, all too often its great aim seems to be to expand in scope and power and to live eternally. It's easy to create a commission, but seems almost impossible to put one out of existence. They never go out voluntarily.

#### One of Our Oldest Wastes

AFTER a most careful survey of the work done or intended to be done by the boards and commissions, they should be reduced to the smallest number possible and where feasible the duties now performed by them should be transferred to the department of government best equipped to do the work.

Even when a board or commission should be found necessary the membership should be limited to as small a number as possible. Some of them are so large they are unwieldy.

The issuance of governmental publications and public documents is one of our old-established extravagances. Year after year it goes on, although we all see and know the waste There should be only enough issued to supply the needs of the public, instead of printing the tons that are issued every year for which there is little if any demand. The space used for the storage of worthless documents alone is an important expense and could well be used for other purposes. Should the public ever show sudden interest in any particular document, there is no reason why a second edition could not be published in sufficient numbers to supply the demand. As it is now we seem to think it necessary to print the maximum quantity right at the start, and then to the storehouses.

You may ask whether all of this waste is not being overcome by the budget system. It has done wonders, but it has no power to eliminate a governmental activity authorized by law, however useless it may be. It is some of these activities themselves that must be done away with, and, strange to say, some of the most useless ones develop the strongest supporters and defenders. Save over there, but let us alone, is their cry.

I remember, a few years ago, going over estimates in a committee, before the days of the budget, and seeing an item of \$25,000 for an expert study of a certain kind of rock to determine its availability in the making of cement. A few days later the same item appeared, from another department. That sort of thing was inevitable with the loosely drawn lines of the departments, and today the Government is doing much to put things in the departments where they belong. But go into the matter of these endless boards and commissions and you will find this duplication and overlapping, meaning waste and double waste and bad results finally.

There could be a reduction in the expenditure of money for expert reports. Officers in the department know that much valuable time of experienced men is wasted in the preparation of reports which are never printed

and in some cases when they are published it is so long after their preparation that they are valueless. I remember that during the consideration of an important measure a certain report was called for, but when it was produced it was found that it was based on information gathered ten or twelve years before, and it was of to use whatsoever to the committee because conditions had changed so that the data contained was of no value.

#### Won't Impair Efficiency

IT IS useless to go into detail because it is well known that a reorganization of the government agencies will reduce expenses, save time and cut out much red tape and in no way impair the efficiency of the service.

While looking into the expenditure for the public service a number of years ago, I discovered that there were many ports of entry where officers were receiving good salaries with no work to do. There were many cases which were costing the Government several hundred dollars to collect a few dollars.

I introduced a bill to do away with certain of these ports, but was unable to secure favorable action on a measure that specified the ports. The purpose of the bill met with hearty approval, but opposition in detail appeared when the abolishment of a job in some particular city was proposed. To overcome that I proposed an amendment to an appropriation bill in 1911 giving the President the right to rearrange and consolidate ports and abolish such as were not

needed without specifying any. This amendment passed the Senate, but failed in conference. In the next session the matter was taken up in a different way. The following proviso was added to the bill which carried the appropriation for the Customs Service:

"The President is authorized to reorganize the Customs Service and cause estimates to be submitted therefor on account of the fiscal year nineteen hundred and fourteen bringing the total cost of said service for said fiscal year within a sum not exceeding \$10,150,000 instead of \$10,500,000, the amount authorized to be expended therefor on account of the current fiscal year nineteen hundred and twelve; in making such reorgani-

zation and reduction in expenses he is authorized to abolish or consolidate collection districts, ports, and subports, of entry and delivery, to discontinue needless offices and employments, to reduce excessive rates of compensation below amounts fixed by law or Executive order, and to do all such other and further things that in his judgment may be necessary to make such organization effective and within the limit of cost herein fixed, such reorganization shall be communicated to Congress at its next regular session and shall constitute for the fiscal year nineteen hundred and fourteen and until other-

THAT the Government can cut its taxes at least 300 million dollars in the next revenue bill is a statement made recently by Senator Charles Curtis, administration leader in the Senate. Coming from Senator Curtis it had particular force, for his public statements are as rare as his speeches.

In all of his career he has been known as a man who said little, but worked hard. Also, he was one of the earliest advocates of economy in government—in the days when saving the taxpayer's money was not as popular as now—and he began in his own district, when yet a member of the House. One of his own constituents was the first victim, the horrible example.

It was 12 or 13 years ago that Curtis stumbled on to an office-holder in his district, who as collector of the port showed annual receipts amounting to one per cent of his salary. When Mr. Curtis had finished with this branch of service the Government was saving \$350,000 a year without the slightest impairment of service. Multiply \$350,000 by 12 and the amount is important even in these days of the million-dol-

days of the million-dollar unit.—The Editor



wise provided by Congress the permanent

organization of the customs services."

That went through, and one of the last orders issued by President Taft in 1013 was to consolidate Customs Districts as authorized by that provision. Result: \$350,000 has been saved to the Government every year since. I mention that only to show that while a general program of economy will go through, opposition always appears when the plans for cuts are specified.

In the Senate in 1919 when Senator Lee S. Overman was trying to have continued the Overman Act, which authorized the consolidation of governmental agencies, a letter was read from Newton D. Baker, Secretary of

War, from which I quote the following:
"In view of the marked economy and the increased efficiency that has been made practicable under the provision of this act, I believe that it would be a misfortune if it were revoked before such time as new legislation, of a permanent nature, based upon the experience of the war, may be enacted."

perience of the war, may be enacted."

It had worked for the good of the country in war time, but we did not seem willing to make use of that experience in peace.

I am confident all who have given any attention to the question will admit many, many millions of dollars can be saved by the en-

actment of legislation authorizing the consolidation of various bureaus, the abolishment of useless boards and commissions, the reduction in the publication of documents which are not needed or used by the public, by eliminating waste and practicing the greatest economy in public expenditures and that all of that can be done without impairing the efficiency of the public service.

#### To a Business Basis

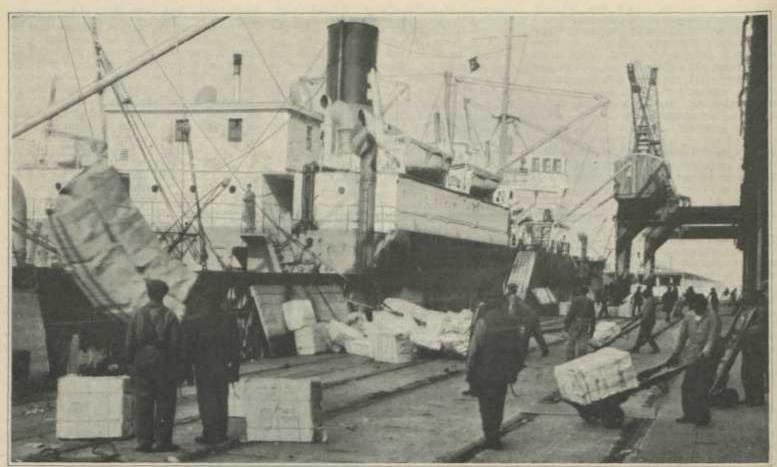
ONCE in a while I have someone tell me that we are going to injure the effi-ciency of this or that department by "cheeseparing." Such criticisms almost always come from sources that fear they are going to be hit. Eliminating useless expendi-tures, waste and extravagance, increases efficiency in government just as it does in business. I don't believe there is a man in Congress who would support a saving at the expense of service. As for "cheeseparing," I have not met with much of it, I regret to say, but it is well to remember that a "paring" in government figures runs into the millions and tens of millions before one realizes it.

Almost all of us know that through traditions, habit, forgotten laws, we have built up a bureaucracy that needs whittling down to a business basis. Lop off the useless offices and all of the collateral waste that has grown about them. Pay our necessary public employes fairly and expect fair, interested service in return.

Put that policy into full effect and we shall see a 300-

million-dollar annual saving.
You would not think that any American citizen would be against such a plan. At the bottom of his heart no one worthy of the name is opposed to it, but there will be opposition to details where some of these details seem to be contrary to some personal interest. There might be enough of that kind of opposition to impair the plan if not to block it for the time being. In time, of course, the people will demand it.

My plan to get action would be to propose a short amendment giving the President authority to transfer bureaus from one department to another and to make such consolidations as he thinks for the best interest of the public service. That is the practical method.



COURTEST U. S. BHIFFING MOAND

A government-award vessel discharging woodpulp at Brooklyn Harbor. Lack of incentive for the average employe, government-operated vessels. Admiral Palmer points out, have been responsible for a great turn-over in the Pleet Corporation personnel during the past four or five years with reduced efficiency

#### Government Can't Compete on the Seas

#### By Admiral LEIGH C. PALMER

President, Emergency Fleet Corporation

A HIGHLY competitive international shipping line under government operation or control and supervision is at a great disadvantage as compared with a line operated under an efficient private commercial corporation.

The policy enunciated in the Merchant Marine Act of turning over the shipping lines to private American operators as soon as it could be accomplished consistently with good business methods may have been based on a knowledge of the many difficulties arising from government operation.

#### No Definite Shipping Policy

ONE of the handicaps of first importance is that the business community, on which we are dependent for the successful operation of the Government's shipping enterprise, has not yet received any definite assurance that there is a permanent shipping policy. Such a policy, if and when enunciated, would be dependent for its continuance upon the will of the people as a whole, expressed in the amount and in the wording of the appropriations by Congress from year to year.

It is very evident that the lack of a permanent and continuing policy is a decided operating handicap and one that does not tend to promote confidence. Then, too, there is a hesitancy on the part of commercial interests, not alone peculiar to shippers and the shipping fraternity, to attempt to enter into daily business transactions with the Gov-

ernment, due primarily to some of the restrictive clauses in our laws. Some of these clauses must be maintained to protect the public interests but they are nevertheless a handicap to which private corporations are not subject.

The constant fear of changing policy from year to year has its effect not only on the people with whom the Government must do business, but on its own personnel. No commercial organization can be a success without some assurance of permanency for its personnel and some promise of future reward for work well done. Under the present set-up the government shipping organization can give no such assurance or promise.

It follows that it cannot always get the best personnel, and many of its capable men leave to accept employment with private organizations where they can have reasonable expectation of advancement and permanency. You cannot as a general rule offer any real inducement to high-class shipping men to give up permanent connections for temporary work for the Government. In private commercial organizations they get higher financial rewards, enjoy greater independence, are free from classification as cogs in a governmental

machine, and have some promise for the future.

In view of the lack of incentive for the average employe it is not surprising that there has been a great turnover in the Fleet Corporation personnel during the past four or five years with somewhat reduced efficiency.

The education of the personnel of a government shipping line is different from that of a privately operated line in one most important respect. That has to do with the subject of dividends which the stockholders of a private organization demand, and if they are not forthcoming want to know the reason why. If there are reduced dividends or a loss at the end of the year, the average stockholder feels that the personnel has not used enough initiative or has not done enough work.

#### Why Employes Don't Work Well

THERE is no treasure chest to provide continued employment in spite of losses, and the employe of a commercial company realizes the importance of exerting every effort to bring in dividends for the stockholders. As he knows that his company has not the funds to stand an operating loss from year to year, he is much more concerned about the probability of losing his position than would be the case under government operation where the national Treasury pays the loss.

We find some men who always put forth their greatest efforts and exercise their best initiative whether or not there are funds available to keep them continuously on the job and to meet the yearly losses, but there are also many men who would fail to perform satisfactorily from the business man's viewpoint if they were educated in the protecting shadow of a full-flowing treasury, ready to

meet every demand and all deficits indefinitely.

In a private commercial company the stockholders are most vitally interested, their own money being at stake, and any lack of efficiency, economy or initiative on the part of the personnel means a direct and immediate personal financial loss. Somehow or other, there are many citizens who are not much concerned over inefficient or uneconomical operation of government or municipal activities, simply because they do not immediately pay the losses. They pay through taxation but their money stake in the government business is small as compared with their commercial operations and their anxiety is often proportional.

Good-will in international trade cannot be as effectively built up by government employes. One of the cardinal reasons is that private commercial companies can get a closer personal contact with the shipper and assure him of continuing policies not dependent on congressional action from year to year.

#### Certain Handicaps

THERE are certain handicaps inherent in government work which do not appear in commercial enterprises; for example, the government per diem travel-expense regulations limit the daily expenses of its employes. The allowance is generally far below the price necessary to afford the employe the same class of

hotel accommodations that his private commercial competitor uses in his efforts to secure customers. There is no criticism of the reasons for fixing the limits of daily expenditure of government employes, but mention of this circumstance is made as an example of some of the handicaps which employes of private organizations do not have to meet.

Pressure brought to bear to have the ships

Londing coffee in the hold of a vessel at Rin de Janeiro. Bellow: Taking on coora at the poet of Tabacco in the Philippines. Every citizen of the United States is a stockholder in the company which operates these vessels. But, because they do not immediately pay the losses, there are hot concerned over inefficient or uncooramical operation of government activities

PHOTOS COUNTRYS M. S. EMIFFING NOARD



call for small amounts of cargo at every port, no matter whether it is paying cargo or not, is a matter of small importance to the private operator unless he is convinced that such a step is commercially sound and that it will soon bring in ample revenue to much more than overcome the temporary loss. But until there is a permanent continuing policy for the American Merchant Marine for a long period of years, there will always be

great pressure for favoring particular ports at an expense to the Government, unjustified by economic requirements. The handling of government funds requires a very careful system of checks. Though this is proper yet it calls for increased overhead and is a distinct handicap as compared with private operation.

Government procedure requires the acceptance of the lowest bidder, provided he is in good standing and complies with all the terms and conditions. It is easily conceivable that a private shipping company could accept another bidder whose offer was, say, two cents greater per ton, if the company could induce that

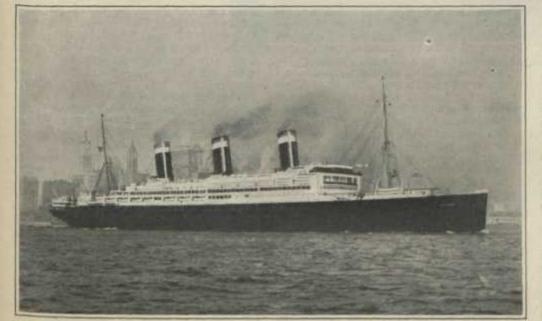
bidder to give it such portion of his other business as would net the shipping company a profit on the combined transaction of five cents per ton.

#### Secrets Go to Competitors

In A commercial company many of these transactions can be handled on verbal agreement. But under the Government such trading practices would be open to great adverse criticism and if time were taken to explain all the details to the critics the opportunity to close the deal might be lost.

Like the activities of other departments of the Government, shipping must be subject to investigations from time to time, and some of these investigations may be of great value in protecting the Government's interests. The knowledge, however, that investigation is being made over a period of a great many months must have its effect on our own and foreign shippers, who are interested in a permanent service with adequate sailings and continuing policy. The private company does not have to operate under this handicap. Its activities are not aired in public, as any such action tends to create a feeling of uncertainty and lack of confidence in the minds of shippers and importers.

The figures under government operation must be open to call from those in authority, and it is difficult to keep the details and the so-called business secrets from becoming known to competitors, to the great disadvantage of the government department engaged in such activity. If commercial corporations work out a policy that means cheaper operation along a certain line or an



The Levinthau, greatest of all vessels, is handlespped under government control, because of the lack of any parmanent shipping policy. Such a policy would be dependent upon the will of the appropriations of Congress

advance in efficiency and service that will bring in a certain class of passengers or freight, they keep the matter quiet until they are ready to put it into effect after all the preliminary arrangements have been made so that they alone will profit as the result of their initiative. It would be most difficult for a shipping company operated by the Government to keep such secrets,

The ordinary business chances which would be taken by a private organization can be taken by an employe of a government shipping company only at the risk of continued adverse criticism as to the handling of gov-

ernment funds

A private shipping company would have

a responsible head with full authority to go with his full responsibility, subject only to the comparatively infrequent meeting of directors who are all of them financially interested in results.

This, however, is one item for which there may be relief as the President and the President's Shipping Committee have both indi-

They are favorably disposed to complete separation of those functions having to do with the operation and control of the government merchant vessels from the semi-judicial and regulatory functions that have to do equally with all vessels of the merchant ma-

rine whether under private or government

ownership. The Government, through its operating agency, the Fleet Corporation, must accept all these and other handicaps as long as the Government remains in the shipping business. They are conditions with which private commercial shipping companies do not have to contend, and which tend to handicap operations, increase costs and diminish

Private operators have their own troubles in the shape of wage and fixed-charge differentials as compared with foreign competitors, and due to our laws cannot overcome these charges unless some form of aid is given them, but they are free of the many disadvantages of government operation.

#### It Isn't Just Money to Him

#### By JAMES L. WRIGHT

Washington Staff Correspondent, Cleveland Plain Dealer

WHAT IS your annual compensation?"

O. P. Van Sweringen, who started his business life as a newsboy on the streets of Cleveland, and now at the age of 46 is the head of five railroads, with more than 19,000 miles of track and combined assets of \$1,500,000,000, made that answer on the witness stand before the Interstate Commerce Commission, while testifying on his application, pending before that federal agency, for authority to merge his railroads into one big system.

With minute exactness and without reference to a book or a note, Mr. Van Sweringen testified and was cross-examined for days and weeks about the interwoven relationships of a score of his corporations, involving hundreds of millions of dollars, and a variety of in-terests, ranging from the ratios of exchange of stock in one company for stock in a new company, congested gateways, air rights over terminals, through a myriad of

other things.

Financial transactions that were bewilderingly complicated to those who heard him give their details out of mind, and left mystified even those who spent hours in an endeavor to unravel their multitudinous activi-ties, were as simple as a two-plus-two problem for Mr. Van Sweringen, but when he was asked what salary he receives, a question that most men can answer without a moment's hesitation, and to the penny, he had to admit that he was stumped.

#### Couldn't Recall His Salary

"IF MY memory serves me right," said Mr. Van Sweringen, reflectively, after he had confessed his inability to answer, "it is \$45,-000 a year as chairman of the board of the Nickel Plate.

President J. J. Bernet, of that railroad, who was sitting among the spectators at the time, left his chair, walked to the front of the room, leaned across the counsel table, and in a whisper audible to all nearby, said to the witness:

"You don't get that much. You only get

\$25,000."

"Well, I thought it was \$45,000, but I am told it is only \$25,000, so I really don't know what my salary is," Mr. Van Sweringen said. "I do not get any compensation from any of those roads, except as chairman of the board of the Nickel Plate. The Chesapeake and Ohio sought to pay me a salary, but at the next meeting of the board I asked that their action be rescinded, and that was done at my request.

"I have no allowances from any of those companies for expenses, other than clerical help, and I have always paid my own expenses out of my own pocket. I have never submitted an expense account."

During all the long hours that Mr. Van Sweringen was on the witness stand, when even his private affairs and business affairs not related to his railroad developments were being probed, I sat in the hearing room and studied this low-voiced, mildmannered modern railroad builder, so unlike the gruff "Jim" Hill of pioneer railroad days in America.

There was nothing of the braggadocio or swashbuckier about him, and he seemed almost boyish in his modest admission that if the Van Sweringen interests were to sell their holdings in the present Nickel Plate Company at this time, they would make a profit of \$17,000,000, based on the current valuation of the stock on the New York Exchange.

#### To Handle Things in Big Way

OPPONENTS of the proposal to merge the present Nickel Plate with the Chesapeake & Ohio, Hocking Valley, Père Marquette and Erie, all of which O. P. Van Sweringen and his brother, M. J. Van Sweringen, of Cleve-land, now control, presented a table to the Interstate Commerce Commission with a conclusion that if the Commission approves the merger plan, the Van Sweringen interests will have aggregate profits not of \$17,000,000, but of \$75,000,000. And they started in the railroad business with \$520,000 cash and a "basketful of securities," to use Mr. Van Sweringen's own words, nine years ago.

Mr. Van Sweringen insisted that the \$75,-000,000 figure was reached through erroneous calculation, and the counting of certain assets twice, but the fact is undisputed that he and his brother have become multi-millionaires

almost over night.

It is the love of bandling big things in a hig way, rather than the love of making money for money's sake, that appeals to these two bachelor brothers, who live in an unostentatious fashion in Cleveland, and have not a single heir to whom to leave their great

One statement made by O. P. Van Sweringen during his last day's cross examination on the witness stand seemed to epitomize his

whole philosophy of life. It came as a spontaneous reply to an inquiry by opposing coun-sel as to when he thought he, as a director of his companies, was justified in taking money out of them. This was his answer: "Dollars don't have the attraction for me

they have for some people. I am not sure whether to be rich is to be poor or to be poor is to be rich. I am inclined to believe the

#### Both Brothers Are Bachelors

IT WAS only a few minutes after that state-ment was made that Mr. Van Sweringen was asked about his salary, and his inability to guess the amount of it within \$20,000, made his earlier statement ring true.

The disclosure of a trust agreement, en-tered into just a few days before Mr. Van Sweringen made his last appearance here. gave another glimpse into the workings of his mind and perhaps an added reason as to why there may be no great incentive to accumulate millions on millions of dollars, although they keep rolling in.

"That is going pretty far into our private affairs, but I shall not object," said Mr. Van Sweringen, when Col. Henry W. Anderson, representing the protesting minority stock-holders of the Chesapeuke & Ohio, inquired

about the trust agreement.

"My brother and I are bachelors. We have no heirs. We wanted to provide for continuity of operation if any misfortune should fall to us. That is our duty not only to ourselves, but to the other shareholders in our enterprises.

When Mr. Van Sweringen was asked about such things as the number of miles of stoneballast roadway the Nickel Plate has, the average number of cars operated in its freight trains, and other details, he said he made no effort to carry those matters in

"After I have made a decision, I don't carry the details around in my head as excess buggage if I can help it," he told his questioners, in railroad vernacular. "I have been a very good listener. I have relied on the people in whom I have confidence. That has been my policy—not to do, but to get things

Obviously, Mr. Van Sweringen accom-plishes that without friction. There was a sort of family atmosphere between him and his employes while he was before the Interstate Commerce Commission, Former Secretary of War Newton D. Baker, who sat at the Nickel Plate's counsel table, always addressed him as "Van," and his subordinates did not hesitate to correct him or to make suggestions to him as to certain phases of his testimony. There was no bow-ing and scraping as before royalty, but a respectful man-to-man attitude.

Rocking to and fro in a swivel chair on the witness stand, most of the time with a paper drinking cup filled with water held in his right hand, Mr. Van Sweringen talked in a conversational tone about his far-flung interests. It was a dramatic story, told in a matter-of-fact way. Even under the most searching cross-examination, which Mr. Van Sweringen felt transgressed all reasonable grounds of inquiry, he scarcely raised his voice, but he showed that he was not with-

out fight and spirit if he were not treated with the consideration that

he showed others.

"This is not a police court," he said to E. C. Bradley, one of the attorneys representing protesting minority stockholders, when an inquiry was hurled at him in a combative way. "I speak to you as a gentleman," continued Mr. Van Sweringen, "and I expect to be spoken to as one."

#### Force Behind His Phrases

THE GREATER part of the time that Mr. Van Sweringen was on the witness stand, he emphasized his points with a single gesture. Folding up his horn-rim spectacles, and holding them in his left hand, he would raise and lower his fist while he talked. Occa-sionally, he would point a finger at his questioner.

Throughout his testimony he impressed me as being in perfect control of himself at all times. He weighed his answers carefully, but when the reply was given, it was straightforward and to the point. It was not hedged about with quali-

fications and conditions.

There was force behind many of the phrases he coined to drive in his points under cross-examination on the witness stand, just as there was in the printed statement, which he dictated one night at his home in a single sitting. In that statement he explained in detail all of the complicated and inter-related business enterprises of the Van Sweringens. The statement was prepared practically without notes, and was so perfect in its construc-

tion and complete as to detail that Col. W. A. Colston, general counsel of the Nickel Plate, added only a typewritten page and a half to it, and Mr. Baker made only a few minor changes. The figures used by Mr. Van Sweringen as to numbers of shares of stock, amounts paid, and various other statistics, were submitted to his office statisticians for confirmation.

"We had a feeling, and still have," said Mr. Van Sweringen, "that one of the most unfortunate conditions in the railroad world is the absence of parental interest, guidance and encouragement—someone to be responsible for the policies and pur-suits of the company through having the major stock interest. We have had a natural pride in feeling that we were constructive.

"A railroad," said Colonel Anderson, the

next day, while cross-examining Mr. Van Sweringen, "is nothing but a porter. It carries stuff for other people.'

"That may be your description of a rail-road," answered Mr. Van Sweringen. "We all

know what a railroad is."

Some of the striking statements made by Mr. Van Sweringen while he was on the witness stand were:

"I will sell 85 miles of the Hocking Valley Railroad for \$1 if the purchaser will assume the responsibility of operation that goes with it.

"The only kind of a milroad I am interested in is one which deserves and has the informed sympathy of the people it serves, and I hope this inquiry will be so full and the Commission's judgment so clear that no reasonable doubt will remain,"

O. P. Van Sweringen knew offhand all the details of complicated financial transactions, but couldn't remember his salary

"If what we are doing is not in the public interest, we realize it would not last and we have no desire to be permitted to do it.

"My brother and I pocketed a personal loss of \$1,400,000 in buying stock of the Chesapeake & Ohio, which we turned over immediately to the Nickel Plate."

"If this plan is approved by the Commission we will have reduced the aggregate outstanding capital stock by reason of this unification and the former Nickel Plate consolidation about \$125,000,000."

"You can fool the stockholder if you want

to, but we didn't want to."
"There are more of our dollars than anybody else's in these enterprises, so naturally we want to manage them.

"I don't like the word 'interlocking' as it is being used in relation to the Hocking, Chesapeake and Nickel Plate. I prefer to refer to these as directors common to each corporation. We have no apologies to make for wanting to control the policies of management.

"We are not and never have been the Tittle brother' of the New York Central.

There was no sacredness, as we saw it, in the tentative railroad groupings made by the Interstate Commerce Commission and Dr. William Z. Ripley.

"We have not made one dollar by promotion fees or charges, stock manipulation or

watering processes.

All sources of gain to us were by im-provement of the shares purchased—the same as the ratio of gain to all stockholders, and no more."

Complaints made by many business men against federal regulation of industry found

no reflection in the attitude of Mr. Van Sweringen toward the Interstate Commerce Commission.

#### "We Want to Deal Fairly"

OF COURSE," said Mr. Van Sweringen, "we think the terms in the contracts made with the various companies are fair, but if they are not we can go further and fix the terms that the Interstate Commerce Commission thinks are. We are perfectly agreeable to the Commission inserting an order, providing that the terms of settlement to dissenting stock-holders shall be a fair cash value. We want to deal fairly with every-

Counsel for the Van Sweringens repeatedly told the members of the Commission that if the application as made for the consolida-tion was not agreeable to them, they would be glad to have modifi-

cations made.

Apparently there was as much interest in the Van Sweringen brothers themselves as there was in the case they had to present to the Commission. Rather short in stature, inclined to be robust, well groomed, and conservatively dressed, these two men, O. P., who is 46, and M. J., who is 44, are inseparable.

They are very approachable, and affable, but are not of the "good-fellow" type. They do not care for club life or the companionship of many men. They spend their nights at their home in Cleveland, planning new business enterprises Neither one smokes or drinks or gambles. They have no hobbies,

except that M. J. occasionally goes horseback riding. O. P. loves to sleep, but when they have an important deal on they frequently

stay up all night.

"I distinctly recall," said O. P., in his prepared statement to the Commission, "our returning home at 5 o'clock one morning from Toledo after practically an all-night negotiation for the dominating interest in the Clover Leaf.

There is no pretense in the aversion of the Van Sweringens for publicity. They shun it in every possible way. Hundreds of per-sons have tried without success to get their views on business, and their philosophy of life, but it took a dull setting in a hearing room of the Interstate Commerce Commission, and the necessity of getting that federal body's approval of their plans to merge five railroads, to lift the curtain to the public.

#### Executives—"Openly Arrived At"

#### By DONALD MacGREGOR

Illustrations by Charles Dunn

THE HEAVY steel door swung sbut. Adding machines on all sides started to click as scores of clerks, taking off their

coats, began totalling the day's business. The bank officers, who had been sitting all day at desks just beyond the brass rail near the front door, got up and stretched wearily. One of them, a senior vice-president, mechanically slipped a few papers into a drawer and turned to the man beside him, a manufacturer with whom he had been talking loans.

'I'm glad this day's over," he said, with ief. "Since morning I've talked with everybody from the promoter of a wild Florida land company, who wanted some leads, to a delegation of Italian women who were after an ad for a church program. I've turned down three cigar salesmen and two made-tomeasure tailoring agents, and I've been invited to join five charity organizations. Not one in ten who comes to this desk has anything important to discuss. You fellows with inside offices and office boys and secretaries don't realize

#### "You've Got to Be on the Job"

WHY DON'T you bankers do the same thing?" the manufacturer interrupted. "Why not limit your callers?"

Bank officers in America can't limit callers. It's a practice that started years ago when bank

ers ago when bank

CASHIER

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"We can't," said the banker. "In this business you've got to be right on the job. All banks are the same. It's a practice that started years ago when bank competition was keen and it's continued to grow.

"I couldn't work if I were bothered all the time," the manufacturer argued. "I don't see how you can. You ought to see only those people with real business to transact.

Yes, and get a black eye with those I didn't see. The reputation for being hardhearted is one of the bad things bankers are forced to fight. Just the same, there really are some benefits in being accessible to the public. It gives us a chance of remaining on close terms with our customers. It promotes frankness and cooperation. Every bank wants to give service.

#### "But I Prefer Protection"

"MAYBE you're right about keeping your-observed, "but for me, I prefer protection."

Within a week the vice-president of the bank called on the manufacturer in his suite of offices on the twenty-sixth floor of a nearby building. He had not considered the necessity of making an appointment in advance. He first encountered the manufacturer's of-

'Gotta card?" the boy demanded indifferently.



the banker said. "Just mention my name and I think it'll be all right."

The boy disappeared and the banker waited. In five minutes a young woman entered the room and the banker was conscious of her suspicious appraisal.

What do you want to see him about?" the girl asked

The visitor, with mingled amusement and

irritation, again explained his identity and

the general purpose of his visit.

"I'm sure it's all right," he said. "Your employer knows me very well."

He's engaged now, but he'll be free after a while," the girl announced with authority. 'If you'll wait I'll see what I can do."

The banker accepted her invitation to sit in an inside office where he twiddled his thumbs for twenty minutes until he reached the manufacturer.

#### European Bankers Hemmed In

"YOUR system may be all right," he said, with feeling, after he had described his difficulties in getting past the lines of defense, "but I can't see it. If a man's alone with you in an office he stays until he gets what he wants or until you throw him out. You'd be surprised how visitors will cut things short when they see other folks waiting. I'll keep open office and meet all comers."

European bankers are far less accessible than those of America. They are hemmed in by more office boys and secretaries than ever were dreamed of by the highest officer of any important corporation in the United States. Even American financiers of recognized international standing have trouble sec-ing bankers in England and in France, Germany, Italy and the other continental coun-

tries. It is not discourtesy. It is custom. American bankers learned long ago that they are wise to make an appointment well in advance if they want to see the officer of a European bank. Even then they must be patient with the routine before the interview

To find the European banker is the first problem. In the main banking room, on the downstairs floor of a two- or three-story building, the clerks are reluctant about revealing the whereabouts of their superiors.

When at last they are convinced that the American really has an appointment, they usher him upstairs to a dignified and impressively quiet suite where he battles it out with a new array of attendants.

#### A Second Assistant Arrives

SOMEBODY in uniform takes his card, and just when it seems that the uniformed attendant has abandoned his mission a second assistant secretary arrives with a summons into an adjoining room.

which is equally subdued in appearance but much quieter, since its entrance is by a double set of doors, both of which are shut tightly. In this solitude the American, approaching zero, is able to regret at length his failure to transact his business by mail-

As the time approaches for the interview a first assistant secretary appears and leads the way to a second reception room, bowing himself out and producing, as if it broke his heart, the banker who had arranged the appointment. To his surprise the American finds a host no less human than himself and no less attentive to business details, a man who simply is adhering to a system that has been in force for centuries. European gov-

comers, all and sundry, catch-as-catch-can. Most of the leading bankers in recent years, however, have provided offices and con-

ference rooms on the upper floors of their

bank buildings. These quiet rooms are a feature of the newer bank buildings, so many

of which have been erected since the war.

Another trend, a particular example of which

is that of the Bankers' Trust Company of

ernments may change, but not European bank

David F. Houston, formerly Secretary of the Treasury and now president of the Bell Securities Company and vice-president of the American Telephone and Telegraph Company, went to Europe recently on a business mission. He had to see seven or eight bankers in London and a similar number in several other continental capitals. Due to the Euro-pean indebtedness to the United States and the fact that he dealt with it as Secretary of the Treasury it might have seemed that the private doors of European banking institutions would open up for him promptly; and they did, but only after he took with him a man who knew the ropes.

#### Hard to Reach But Cordial

"THE European bankers were hard to reach, but cordial," he said, on his return to the United States. "In America we broke away from such seclusion long ago, and I think the fast twenty or twenty-five years have developed a growing ten-dency among American bankers to be

more democratic."

I happened to be in Washington several years ago when Mr. Houston put the latch on the door of the Secretary of the Treasury, Up to his arrival from the Department of Agriculture, toward the close of the Wilson administration, his immediate predecessors had maintained an open-door policy. The office had a side entrance through which came important officials of the depart-ment, personal friends of the Secretary and ranking politicians. The flow of arrivals and departures gave the place some of the atmosphere of a railroad station.

After an hour of the onslaught, during which he had no time to work. Mr. Houston summoned his secretary, an efficient employe who had passed much of his life in the department and had witnessed a dozen

administrations.

"What about this side door?" he asked. "Why is it that everybody just walks in like this?"

"It's been a custom," his secre-ry explained. "People who have tary explained. business here and who know about the door have felt privileged to use it."

"I don't want to start upsetting cus-toms," Mr. Houston declared, "but we need some system. Anybody who has business with this office is welcome to come, but I wish they'd arrange it first. Have them telephone, fix a time and say how long they need."
"Maybe they won't like it," the secretary

protested.

"I don't think they'll care if they understand that it's for their protection," Mr. Houston replied. "Nobody wants another man to be breaking into his conference. Let's

The system did work and still is the rule in the Treasury Department. The elimination of the open-door policy for a lenient one of definite engagements saved time for work that previously had gone until after visiting hours.

Anyone who has business with Mr. Houston today at the headquarters of the American Telephone and Telegraph Company in New York City, a corporation which, of necessity, surrounds its high officers with full protection against interruption, may see him if he arranges for it in advance. His door is open, but not for anybody to walk in at will.

The reason for the complete protection of the officers of the American Telephone and Telegraph Company is the character of the business. The company deals with a million subscribers in New York and surrounding cities alone, and its accounts, of corresponding number, involve relatively small sums.

New York, is to place the more important officers on the second floor, which may be reached by an easy marble stairway, a happy bit of planning which saves valuable space as well as affords protection from the rank and file of visitors. "The open-door policy in American banks has been followed almost from the begin-ning," Francis H. Sisson, vice-president of the Guaranty Trust Company of New York, told me recently, "There undoubtedly are some exceptions, but it is the rule and has been for years in New York, Chicago and other large cities. Of course the banker in the smaller cities and towns has perative to be Harupean hankers are hemmed in he more office bors and socretaries than ever were dreamed of by the highest officer of any perpenation in the United States So far as the public is con-

cerned, it is essential that the

details be handled by subordinate officers so that the top executives may be free to

consider the essentials.

Even the telephones of the executives are under a censorship. If a call comes for one of them it goes through an official switchboard to be received by a secretary who determines whether the connection should be completed. If something goes wrong with the telephone of a friend of one of the company's vice-presidents, the trouble can be adjusted just as well through regular channels.

#### Conference Rooms Provided

YET WITHIN a stone's throw of these se-cluded offices at 105 Broadway there are equally important leaders of finance and industry who may be reached by the average man who simply takes the trouble to enter their doors and walk up to their desks. In large banks, notably the Guaranty Trust Company, the Bankers' Trust Company and J. P. Morgan and Company, there is no formality in reaching the high officers or partners. They are at desks surrounded at most by half-way partitions or brass railings and subject to all in close contact with his customers and never thought of any other way of doing business.

Bank competition has been largely responsible for the system-bank competition and a real desire to be in the confidence of those who dealt with the bank. While these are the advantages, there are, of course, many disadvantages. One is that the average bank officer must deal with a great number of persons who really have no business with him Bill collectors want information about bank patrons, committees want contributions for some charity, salesmen try to sell their goods -and they all think the bank officer sitting in the open is a legitimate victim.

"Of course banking differs from the ordinary line of business. If the officers of cer-tain other institutions, particularly those that give public service, tried the open-door policy. they soon would find themselves so swamped that they couldn't accomplish much.

"The bankers of this country would find it impossible to follow the seclusion of the bankers of Europe. American business would not hear to it, and the banker who kept open office would have a bank monopoly.



This board room of the Bank of Brussels doesn't look very much like the board room of your bank. It was once the private study of the Counts of Planders. The doors are white and gold; the surpet, pink, blue and yellow; and the tapestries, red and green. The only modern piece of lurniture is the mahagany table

#### Banking in an Old-world Palace

"YOU SHOWED your readers a picture of a palatial New York bank the other month," said Mr. Edward A. Filene, of Boston, to me in Brussels, on the occasion of the International Chamber meeting. "Why not show them a real palace converted into a bank?"

He had reference to the Bank of Brussels, which bought after the war the royal palace of the Counts of Flanders, one of the most noble mansions of Europe. Its president, M. Maurice Despret, a recognized authority on eighteenth-century art, has solved the apparently hopeless problem of preserving intact its regal magnificence while at the same time housing the modern equipment of what is in many ways the most up-to-date bank on the Continent.

Few strangers have had an opportunity of visiting in detail the palatial premises of this Belgian bank, a privilege reserved, however, for the delegates to the International Congress.

By the courtesy of M. Despret, the photographs herewith were specially taken for NATION'S BUSINESS, and the friendly suggestion of Mr. Filene carried out.

King Albert, who was born in the present

Bank of Brussels-as were all the children of the old Count of Flanders, the brother of Leopold II-inherited the building from his father and for years after his accession it remained unoccupied within a stone's throw of the royal palace. Its enormous dimen-sions made it unsuitable as a residence for the young Crown Prince of Belgium, so when M. Despret offered to buy it outright with all the wonderful tapestries, furniture and works of art it contained, the King named a price-a big price-and after negotiations and expert valuations that took some weeks the deed was signed. Great as is the loyalty and love of all Belgians for their King, all who had anything to do with the deal came out of it with an additional and wholesome respect for the King's ability as a business man.

#### Built in Eighteenth Century

BUT when M. Despret finally got the palace there was a string to it. Under no circumstances must the outward aspect be changed. The building was to remain as it always had been, one of the landmarks of Brussels. It was built in the first half of the eighteenth century by the Marquis Arconati-Visconti, and faces on the Palais

Royale at the corner of the street of the same name. The palace proper faced on the square and the larger extension down the street, on the other side of the Court of Honour, was occupied by members of the suite, offices, stables and a private riding school.

M. Despret left the residential wing of the palace untouched, but pulled down everything else, digging down to more than sixty feet along the Rue Royale. Here he built underground four floors of safe-deposit vaults entirely surrounded beneath and on the sides with a wall of steel and reinforced concrete seven feet thick. The two upper stories of these vaults contain more than twenty thousand safes and safe-deposit boxes for the bank's clients, and the two lower floors contain the bank's gold reserve and securities belonging to it or held as collateral. On this foundation M. Despret rebuilt the outer wall of this part of the palace as it had originally stood, fitting it up inside as the most up-to-date bank. All the American delegates to the International Chamber meeting were struck by the perfection of its appointments as a bank

But the really amazing thing about the

Bank of Brussels is that it is at one and the same time a palace and a modern bank, and so skilfully has the reconstruction been done that you pass from one to the other without

noticing the transition.

Could the Count of Flanders return tomorrow he would find his ancestral home unchanged, the same Beauvais tapestries, the same rich carpets woven with his lion crest, the same wood carvings and works of art, the same chandeliers. And from his palace he could pass as of old to his dependencies, the apartments of the officers of his household, the stalls of his favorite chargers, the conservatory, and he would find them transformed into a modern counting house.

#### Board Room Blazes in Color

THE grand drawing-room now forms M. Despret's private office, and the Count's study is the board room of the bank. The latter blazes with color. The five double doors and four window bays are in white and gold, the carpet is a Gobelin in pink and blue and yellow. On the walls hang two of the famous tapestries that the royal factory at Beauvais made from the paintings by Lebrun, who decorated the Louvre and the Palace of Versailles. They represent Land and Water, and their greens and reds contrast strikingly with the silk damask with which the walls are covered. The only modern piece of furniture in the room is the mabogany board table, so big that it had to be assembled and finished in the room. The chairs are antiques formerly used in the state dining room.

But M. Despret's room, or, as it is called, the Cabinet du President, is even more beautiful. It has been left exactly as it was. Entirely paneled in oak, richly carved and gilt, not a piece of furniture, nor a picture, nor an object of art in it but is worthy of a place of honor in any museum. The carpet is one of the earliest and best examples of the royal Savonnerie carpets made by the workers of the Louvre at Chaillot. The tables are masterpieces of the French cabinet-maker's art. The paintings and pastels are by Fragonard, La Tour and other great artists of the period; the terra cotta busts are unique. Here is a bust of D'Alembert, the philosopher friend of Voltaire, signed by J. J. Caffieri and dated 1783, and there on



King Albert was born in this mansion. He inherited the building from his father and sold it, completely farmished with tapeatries, turniture and works of art, to the Bank of Brussela

the bookcase and on pedestals around the room are more busts of the same period: Montgolfier and two very remarkable but unidentified busts, a powerful head of a man and a very

sweet and intriguing figure of an elderly woman. Among the other bank

services in the palace proper are the Salle des assemblées générales, the old ballroom which is reserved for the general meetings of

M. Maurice Despret, president of the Bank of Brusachs, Below; His private office, formerly the grand drawing room of the palace shareholders; the rooms reserved for the directors and for meetings of subsidiary companies. The room in which the King was born is now the managing

director's office; from it you pass out into the great hall and down the monumental staircase, the upper landing of which is adorned with two more Beauvais tapestries from Lebrun's designs depicting the other elements, Air and Fire.

The banisters of the grand staircase are of polished steel with heavy rails and other ornaments of carved bronze. The staircase itself is of polished marble covered with a heavy Brussels carpet of deep red strewn with the heraldic device of the Counts of Flanders. Many and varied were

the entertainments offered the International Chamber delegates between sessions at the Brussels meeting. There were luncheons and dinners and visits

were tunchens and dimiers and visits to the old town of Bruges, to the field of Waterloo, to the fortified cities of Liege and Namur, made historic by the great war. There were late suppers at the Shoulder of Mutton, the Filet of Sole, and other restaurants world-famed for their cuisine.

But not the least of the entertainment for the Americans was the evening spent as guests of M. Despret, where not one but two and three hours were whiled away, visiting together and enjoying the magnificent trappings of an old palace with its score of rooms, each one touched by some phase of Belgium's history.

And it was difficult at times to remember that the reception was, after all, in a commer-



PROTEST TAKEN TOPICIALLY PER MATINETS BUSINESS

Originally prices were established by individual struggles between buyer and seller

Just What Is a Fair Price?

By H. PARKER WILLIS

Editor, Journal of Commerce, New York

"Is THE PRICE too high?
That's one of the commonest questions. Every man asks it, and every

woman asks it even more often.

Human instinct is aroused in opposition to what is regarded as unfairness or exaction. The individual is up in arms against being imposed upon. Much of his early training is directed toward providing him with standards or tests designed to enable him to hold his own or make his way in the world without being unduly put back by others.

Out of this individual desire for self-asser-

tion and for the prevention of any infliction of unfairness upon him, grows a community standard of fairness or equity—the idea of an abstract base from which to measure charges, fees and taxes.

The effort to establish such a community or abstract standard goes back practically to the development of a money economy in the early medieval world. The justum pretium of the monastic writers was the fair price of the later economists, although the methods employed in determining it at varying periods were necessarily very different.

#### The Result of Struggles

WITH the advance of the competitive system, there came to be a general tacit acceptance of the view that fairness was obtained as the result of a series of struggles between individual consumers and individual producers, the former seeking to get the lowest possible figure, the

latter the highest, but the conflicting interests of different elements in the same group resulting in the establishment of a price which on the whole was the best for the community—the fair or reasonable price of the older economists, the "normal" price of the later writers on the subject and the "competitive price" of American lawmakers.

Effort to regulate or control prices within recent years, since the beginning of the present period of industry, was frankly based upon the thought that by preserving competition, fairness, or equity as between individuals or groups in the community would also be preserved.

How did this notion develop and what is its logical basis? The question of "fairness" in price long since passed almost into a proverbial position. It has been accepted as axiomatic that a price must be fair or equitable, although seldom if ever has any test of these qualities been afforded.

Perhaps the most common test which is unconsciously applied is that of the prevailing or "market" rate. This of course is based upon the assumption that there exists what is ordinarily known as a competitive market, so that the real basis upon which fairness is estimated in such cases is that of competition. This concept of fairness assumes that there is something approximating uniformity in

prices throughout the "market" to which reference is made.

Another view of the situation is based on the thought that



fairness in price is that figure which gives to the producer or supplier of the article a fair return. This must mean a return which in wages or profits or both is about equal to those which are being obtained by the majority of producers in the field. In other words it is the prevailing, or at times the average, rate of remuneration for the outlay of labor and the application of capital to a given purpose.

Inasmuch as a return of this kind must evidently be sufficient to keep the producer in the field, this concept of fairness when carried one step further back, means a price which will yield the producer about as much income in the form of wages or interest as he could get in some other occupation.

#### Labor and Capital at Work

GOING still further back the fair price in this view of the case must be one that will yield sufficient to keep labor and capital continuously at work, furnishing the services and products, which they are called on to supply. Here again also the idea of standardization or price uniformity emerges as soon as temporary and accidental features are stripped from the problem.

These conceptions grow out of the older ideas of economic life in which it was assumed that a considerable number of pro-

ducers were at work turning out goods and services, their action in bidding against one another being relied upon to prevent exceptional, or exorbitant, or "peak" prices. This was "competition" in the older sense of the term, and hence the tendency to identify competitive prices with those that were fair, reasonable or normal.

It takes but little unprejudiced thought about the situation to recognize that industrial changes and modifications of business organization have gone far toward making these earlier ideas almost entirely obsolete. The tendencies which have worked in that direction are several; but the chief may be enumerated as, (1) growth in size of the business, (2) transportation and redistribution of business, and (3) standardization of product.

#### What Becomes of Fair Prices?

SUPPOSE, for example, that industry has so developed, as it has in many branches of business, as to put a large proportion of a trade or line of manufacture into the hands of a single concern, and that this concern is generally regarded as the leader in the particular branch of business in which it exists. Such leadership may have been acquired simply as the result of greater efficiency, lower costs of production, or better organization.

The result of these factors is to enable the large concern to name prices if it feels so disposed, which would considerably undercut those of the smaller houses in the business while nevertheless leaving a substantial profit to the large producer.

What becomes of the older idea of a fair price in this case? That depends of course upon a number of factors much more complex than the average man is supposed to reckon on. Does he, for example, wish to see the business continue to be distributed among a number of establishments rather than to be absorbed by a single one? In that case of course a fair price will be a

price that is sufficient to keep some of the less efficient producers in the field and to give them an incentive to continue business.

Such a fair price may yield much more than average or normal returns to the large producer, while it may on the other hand give very much less than that figure to the less favorably situated enterprises. In such a case the idea of "fairness" becomes a judgment as to the quality of prevailing prices not in the case of individual producers, but in the case of the industry as a whole as differentiated from other industries or from the community.

#### Uniformity Isn't Fairness

If WE say that a fair price for steel rails is \$50 per ton, that can mean only that at \$50 the industry as a whole is able to get a sufficient amount of business upon conditions that will enable the great majority of producers to keep going. The figure of \$50 may give a very handsome profit to the large producer, and if he were allowed to monopolize the entire field would undoubtedly be regarded as exorbitant, or the reverse of fair.

It is in circumstances like these that the idea of a single price uniformly made to all and practically uniform throughout a whole industry comes to the front. An unfair price in that case is one which is above (or in some circumstances below) the general uniform price of the industry. And because of the fact that in such industries the consumer is not as a rule in position to bargain with individual producers he comes to look upon a standard or uniform price as being a safeguard to himself—uniformity is in his mind the test of fairness because it places him upon the same basis, so far as costs or competition are concerned, with every other consumer.

This does not mean that the standard or uniform price is necessarily always the correct one—the one which circumstances unmistakably mark out as fair. There may be combinations between producers; there may be conspiracy on the part of some to remain out of the market and allow others to fix prices as they see fit.

Uniformity does not necessarily mean equity or fairness in the fixing of the price but (and this is the essential thing in the matter) it does not by any means indicate the reverse. On the contrary, other things being equal, the presumption is that it does represent fairness, since it implies that all buyers of the product are at least upon the same footing.

#### Older Conceptions Altered

TRANSPORTATION and specialization of manufacture have also done much to alter the older conceptions of fairness in price. If we assume what has often been true for long periods, that a given article is obtained solely from one district or area, the price problem has been a good deal simplified.

If we further assume that consumers are so situated as to have about equally advantageous access to this source or area from which goods are distributed the problem is still simpler. It then involves only those questions of relationship between individual producer and consumer which have already been referred to. But in the modern world the cases in which the price problem may be reduced to these simple terms are few indeed.

Take the steel industry as an example. We have the production of heavy steel products centralized at a number of points, while we have consumers scattered about, some at very great distances while others are close at hand.

Does fairness permit an effort to place consumers upon the same basis with respect to one another?

If so, then the price made by a mill in Pittsburgh to a buyer who expects delivery in Texas must be a very much lower figure than the price to be made by the same mill to a buyer near at hand.

If not, then the price made by the mill must be a uniform price to all—a price which is quoted to the buyer regardless of his situation, so that he is left to carry the cost of transportation, and, where he is far distant from the producer, to submit to a corresponding disadvantage in the production of his own goods because of the higher costs of his materials.

Which of these methods of quotation is in the abstract really more just than the other? The answer to that question must depend entirely upon the general conception that is entertained by the community with respect to economic relations between different parts of the country.

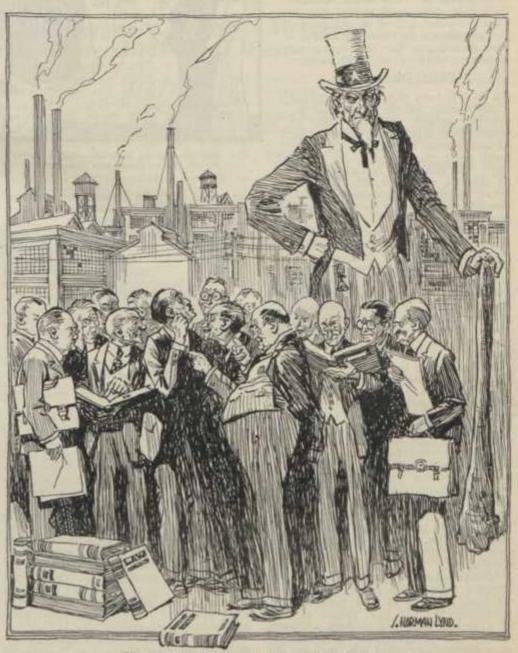
Take still another and rather more complex case. Suppose that plants are situated in many different places each with a body of consumers in its immediate neighborhood. A plant at point A can make a price of, say. \$2 to local consumers who are within a given freight area. Outside of that it must charge, say, \$2.50 in order to supply its goods at the same profit as in the case of those who buy at \$2. But another producer situated at B is rather better equipped or sells on a lower cost basis. He can ship his goods into area A at \$2 and meet the price of the producer at A. His sales in his own district B may be made at \$1.50 and yet leave him with a reasonable profit.

Now does this mean that a fair price in area A is \$2 and a fair price in area B is \$1.50?

#### All the Traffic Will Bear

An affirmative answer can be given only if it be assumed that manufacturers are warranted in charging about what, and about all, that the traffic will bear. B evidently might raise his price in his home area to \$2.50 since the consumer can never supply himself anywhere else, the competitor at A being out of the market.

He does not do so, perhaps because he can sell more product at \$1.50, perhaps because he has other reasons. Instead of making a single uniform price to every customer on a delivered basis, he adjusts his price in



The business man of today can obtain conflicting opinions on prices from about as many lawyers as he wishes to consult

accordance with local costs of production. He gives the distant customer as good a figure as that customer would be able to get anywhere else at the same time that he charges a lower figure to his immediate clientele.

Take still another case, in which freight rates are so arranged that B is protected in his home area and hence is able to charge \$2.50 for his product without incurring the competition of A and so meets his home demand at \$2.50 while he also ships into A's territory at \$2, thus giving the consumers in A a lower price than he charges close at home. What is the test of fairness in this case?

These are not hypothetical illustrations. They correspond in general terms to the issues which have been lately raised in the so-called "Pittsburgh Plus" case and in the suit against the cement manufacturers lately adjudicated by the Supreme Court. In the Pittsburgh Plus case, objection was made by the Federal Trade Commission to the practice of steel mills in using as the basis of charge to the consumer the price for steel prevailing in the Pittsburgh market to which was then added the railway charge for hauling from Pittsburgh to the point of consumption. The effect of this method of price establishment was to name a so-called uniform net mill price that prevailing in the Pittsburgh marketwhile the consumer bore the disadvantage of distance which was due to his location.

#### Artificial Disadvantage

IN SOME cases this was an artificial disadvantage for the reason that the consumer perhaps was located near an efficient steel mill, which, bowever, for its own reasons charged him the Pittsburgh price, plus an imaginary freight rate. The method in quotation was at all events a way of standardizing steel prices, subject to a distance differential determined by reference to Pittsburgh as a

center. The other case represents the practice of cement manufacturers. They have habitually named prices which for moderate periods of

time were nearly uniform to consumers in a given place. They have "absorbed" the freight in order to give consumers at a distance somewhat the same position in the purchase of cement that was given to consumers at home. Neither plan of quoting prices has been acceptable to the Government

and both have been attacked.

It is interesting to note that the argument in these cases has been entirely lacking in self-consistency and that only one feature is common to the objections made to these trade practices. That feature is the uniformity of price brought about thereby-a uniformity which in the first case existed only in the quotation because the addition of freight rates promptly resulted in a difference to the consumer, but which in the second case was a uniformity of charge to the consumer, although not a uniformity of charge at the mill. Apparently the Government was not willing to bave uniformity of action at either end of the line. Yet both methods are far superior in fairness to the old "cut-throat" competition.

Standardization of product has likewise caused a great change in the application of the older standards of price fairness. If a commodity like pig iron, cement or flour of a certain kind has assumed a definite market position, conforming to known and often officially established tests, the older element of choice or discrimination based on variation of quality automatically disappears.

If the output of one mill is the same precisely as that of another, undistinguishable in appearance, service or other charac-teristics, why should the consumer pay more or less for the output of one mill than for that of another?

The fact that one establishment is further off or has a higher unit cost does not seem to him a good reason for paying a higher price for its product or vice versa. So a uniform price tends to be established by custom and the bargaining of the market either changes it uniformly for all (as in wheat, cotton and other products traded in on the exchanges) or else changes it not at all, save perhaps at intervals. Undercutting the



Few questions are more interesting to the average man or woman than that of prior

recognized fair price comes to be recognized as injurious both to consumer and producer and prices tend to be stabilized.

Very little more than a rehearsal of these difficulties is necessary to show that the older standards of price judgment are hopelessly out of date. Evidently the mere existence of what is called competition in the older sense does not today result in low prices to the consumer and has never operated to insure him a parity of position with every other consumer. Neither has such competition invariably resulted in establishing conditions of steady and reliable supply.

#### What Efficiency Has Done

THE OLD method of selecting commodities on the basis of their relative merits of durability, composition and the like has disappeared in those industries which now turn out a standardized product. The old method of judging fairness on the basis of profits earned or returns obtained by the individual producer has disappeared in all those industries where there is material difference in efficiency between producers.

The thought that fairness was inherent in those prices which represented a fairly stable relationship between producers themselves and stood for the average or usual return necessary to keep a number of essential plants going disappeared when it became evident that one or a very few concerns were capable of turning out the entire supply needed at a given price and could if they chose drive others out of the business.

Yet our lawmakers have consistently adhered to the view that fair or desirable or equitable prices were those and those only

which varied considerably within given areas and given moments of time and which were the outcome of a test of strength between individual consumers and individual producers. They have apparently viewed competition as a struggle between individual producers and individual consumers, ignoring the fact that competition may quite as truly exist between a group of consumers or a group of producers or between consumers alone who were competing for portions of a limited supply. Owing to this narrowness of definition and to the legalistic trend of thought among lawmakers, the past twenty years have seen our legislation, our court decisions and our executive procedure fall into a muddle of conflicting theories, standards and ideas on this whole subject.

The business man today who wishes to be a law-abiding member of the community finds himself wholly at sea as regards his relations with his customers.

#### The Business Man Confused

HE CAN obtain conflicting opinions about as numerous as the lawyers he chooses to employ, while it must be added with regret, he has found professional economists loath to struggle with the practical problems of actual business. particularly in the price field, and inclined to take refuge behind abstractions, references to "scientific" principles whose nature they are unwilling to state or to apply. The result has been to leave the business man confused, and in many cases defiant, with respect to the whole situation.

Is there a "rule of reason" in this field of thought? It is high time that efforts be made to find it. The community wants to see so far as possible equality of opportunity among its members and it desires that industrial and other service should be rendered at a

figure which, allowing for differences in ability, produces substantial equality among those who manufacture for its use. Prices should be such as to realize these conditions-"should" be, that is to say, if it be desired to comply with the general standards of conduct that are prevalent among the community today. Evidently, too, fairness cannot be realized under conditions which produce a difference of position or advantage between consumers. Clearly then we may begin by stating what a fair price is not:

1. A price is not fair if it takes advantage of the relative weakness or low bargaining capacity of a buyer.

2. A price is not fair if it emphasizes the unfavorable geographical or other position of a buyer or group of buyers.

3. A price is not fair if it artificially places one group of buyers at a disadvantage, to the advantage of another group.

From these negative principles some other and positive statements may be deduced:

1. A fair price places all buyers in the same position with respect to one another, and puts them upon the same basis of equality regard-

less of bargaining capacity.

Z. A fair price eliminates so far as can be done without hardship to any one elifferences in geographical position and thereby equalizes buying power as between different areas.

3. A fair price gives each group of buyers the advantages which come from larger scale production and thereby tends to equalize their buying power still further.

These general principles tend strongly in the direction of establishing uniform prices to all buyers wherever merchandise can be standardized so that there is practically no difference between the various units of it. But as already explained at an earlier point, uniformity or the "one price policy" is not a guarantee of fairness but only the external mark of it. From the seller's own internal standpoint, fairness would seem to involve the following tests:

 Limitation of price to a figure which will result in placing the largest continuous supply of a commodity in the hands of consumers.

Subject to the foregoing qualification further limitation of price to a figure which will yield about an average or standard return to capital as compared with capital in other industries.

 Establishment of price at a figure which permits the steady introduction of new capital into the industry under at least ordinarily favorable conditions.

If, therefore, an industry is making a price to consumers which is uniform under uniform conditions, which results in no more than an average or normal rate of return on investment and which is such as to permit the investment of new capital from time to time in the enlargement of facilities it is in harmony with the general ideas of social ethics which prevail at the present day.

It is not of very much moment from the standpoint of the consumer whether the internal organization of the industry has assumed form as a series of small independent plants or as a group of highly centralized large establishments or even whether conditions have led to the creation of a monopoly.

#### Extremely Serious Problems

WHAT was formerly termed "competition," leading to fairness of price, may exist under any one of these industrial forms. They themselves have nothing to do with the question of fairness nor do they even establish a presumption for or against the fairness of the charges they make to consumers. The form of organization, the conditions of business management, offer many problems, some of them of an extremely serious character, well worthy of careful analysis and where possible of control by the community. But these problems do not necessarily show themselves in the form of price and the tests which were in other years based upon given conditions of price competition are no longer applicable.

The price question should be entirely separated from the question of the form of industry whether competitive, semi-competitive or monopolistic, and it should be recognized that genuine competition in the true sense of the term is not limited to groups of producers contesting against one another, but is quite as truly to be found in the relationship between the community as a whole and the industry itself, and quite as truly in the relationship prevailing between different industries

When these principles are recognized they will give rise to an entirely different type of legal regulation and one which is susceptible of reasonable application free of the absurdities and injustices which are found in the anti-trust laws of the present moment.

# Solidifying Our Shipping Sentiment

#### A Report of the National Chamber's Merchant Marine Conferences in the West

In ORDER to facilitate consultation with the western members of the National Chamber's Merchant Marine Conference, and to secure the views of the Pacific Coast and Rocky Mountain territory on the shipping problem, a series of round-table conferences was held as follows: Seattle, August 31; Tacoma, evening of the same day; Portland, September 1; San Francisco, September 3 and 4; Los Angeles, September 5; Salt Lake City, September 8; and Denver, September 9.

Through the courtesy of the chambers of commerce in these cities, all arrangements for the meetings were handled by those organizations. The conferences were conducted purely on the basis of round-table discussions, and were presided over by C. W. Lonsdale, president of the Simonds-Shields-Lonsdale Company of Kansas City. Mr. Lonsdale is also a director of the National Chamber and Chairman of Committee IV of the Merchant Marine Conference which will be called in November or December.

#### Merchant Marine Problems

THE CONFERENCES were attended by a representative group of leading shipping men, shipbuilders, merchants, manufacturers, leaders in agriculture and in the stock-raising industry, and by others interested in Merchant Marine problems.

On the basis of discussions at these meetings, Mr. Lonsdale has prepared a memorandum showing the consensus of the views developed, copies of which will gladly be sent readers of NATION'S BUSINESS upon request.

This statement of the consensus of views of the western territory, together with similar statements of the views developed at round-table discussions to be held in different parts of the country, will be submitted to President O'Leary and the four committees of the Merchant Marine Conference. The memorandum gives in detail the consensus of opinion expressed on nineteen different questions relating to the Merchant Marine problems which furnished the basis of discussion at the conferences. The principal points developed may be summarized as follows:

In general, the existing steamship services

from Pacific Coast ports appear to meet present requirements, and are regarded as of great importance to the maintenance and expansion of the export market for agricultural and industrial products. The maintenance of these services, including those now served by United States Shipping Board vessels, and the patronage of American services by American shippers, were recognized as important to the interest of American foreign trade.

#### Regulation of Shipping

THE Seamen's Act was generally regarded as, in the main, desirable, but certain provisions which have little or no connection with the living standards of our seamen, but which interfere with the efficiency of the crews, were recognized as requiring modification.

There was a division of opinion as to whether or not there should be additional regulation of rates or services of coastwise or intercoastal shipping. On the Pacific Coast, the great majority opposed such additional regulation on the ground that it would reduce competition and tend to do away with the benefits derived from the Panama Canal. However, in the interior, the majority advocated complete reduction of shipping, as a measure tending to protect the revenues of the transcontinental railroads and to protect the interests of the interior territory, as well as to stabilize the shipping industry.

A wide range of opinion was expressed regarding the United States Shipping Board's functions. The majority opinion was that the Shipping Board should be continued as a regulatory body with reduced personnel and with its administrative functions transferred to a new department of marine or to one of the existing departments of the Government, and that the Emergency Fleet Corporation should either be made independent or else placed under another department of the Government.

The general principle of the loan of government funds, with proper security at a low rate of interest to facilitate ship construction in American yards, was endorsed, but there was a divided opinion on the question as to whether or not the States and Federal Gov-

ernment should favor shipping by taxation exemption.

Preferential railways and discriminatory duties in favor of goods carried in American ships were generally opposed as impracticable of application, and a hindrance to the development of foreign trade.

The consensus of opinion seemed to favor the reservation for American ships of the trade between the United States and the Philippine Islands, but some doubt was expressed as to the immediate advisability of this measure. Free trade or transfer zones at one or more points on each of the Atlantic, Gulf and Pacific seaports was advocated.

There was practically unanimous agreement that with American costs of ship-building, repairs and operation, and with existing laws and regulations, the American flag can be kept on the seas only through:

1. Continued operation, with government absorption of deficits, or

A system of government subsidies or subventions.

#### Sale of Government Ships

THERE was virtually unanimous agreement that the Government should get out of the shipping business as promptly as possible, and that there should be aids or subventions to facilitate this, these aids being so applied as to develop the trade routes essential to the expansion of American foreign trade.

Mail subventions were regarded as desirable to enable the faster types of vessels, combination passenger-and-cargo vessels, or passenger liners, to operate under the American flag, in the face of foreign competition.

The general view was that sales contracts covering United States Shipping Board vessels could well require operation on designated trade routes for a period of years, and that thereafter, disposal of the vessels to foreign flags should be allowed only with government approval. It was generally agreed that the remaining Shipping Board vessels, for which there is no demand should be scrapped.

Additional copies of this bulletin or of the detailed memorandum referred to above will

gladly be supplied upon request.

#### NATION'S BUSINESS

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MERLE THORPE, Editor

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#### "There Ought to Be a Law-"

POR A LONG time the complaint of the average business man has been the interference of politics with business; laws, wise and unwise, have burdened him so that often he has not known which way to turn. . . .

There can be no denial of the fact that the country has been deluged with laws; sixty-eight Congresses have passed a little more than fifty thousand acts for the nation, while that amount has been multiplied over and over again by the laws passed by the different state legislatures. In 1924 twenty-two thousand bills, limiting and binding business and industrial action, were introduced in the various American legislative bodies; it is calculated that since the foundation of the Republic more laws have been put on our books, national and local, than were adopted by all the other nations of the world since the dawn of time.

The custom is to berate the country's politicians for all the laws, particularly for those which are radical and which have disturbed business. The country has a host of radical politicians; still the question that must fairly present itself to the intelligent and patriotic business man is whether he himself is not to assume his share of blame for the situation that confronts him. Business men have their responsibility just as much as those who hold public office; a part of that responsibility is not to seek in legislation a correction of every economic ill that assails the nation, but to assume a sane direction of legislation that vitally affects the welfare of the nation's economic structure. Placing the blame wholly on politicians and assuming an active or implied hostility to the lawmakers is not in the best interests of industry.—The Mechanics & Metals National Bank.

#### Babbitt Battles for His Rights

LED, we should like to believe, by the editorial, and other articles in this magazine, "Babbitt" has begun to rebel. In the person of Charles E. Keck, president of the New York Rotary Club, he has broadcast (or -casted) his sentiments about Sinclair Lewis and other writers "who are so darned clever that they can settle any question they are of a mind to, offhand."

Rotary, Mr. Keck went on to say, is based on the need of bringing the business men in cities together that they may work for the good of the community. Surely a fine purpose.

We welcome Mr. Keck to the ranks of those who dare to speak up for the Babbitts of this world. More power to his fountain pen or his radio transmitter or whatever he uses to tell to the world:

"Dare to be a Babbitt!"

#### Starting Son at the Top

FOND PARENTS, including fathers who are engaged in business, may find the Bureau of Internal Revenue and the Board of Tax Appeals are inclined toward severity. In fact, the Board of Tax Appeals, which on many occasions has told the Commissioner of Internal Revenue that he has attempted to collect a tax where no tax was due, recently told the Commissioner he was too lenient with a father who had taken his son into business.

The father wanted to include in his business expenses the sum of \$114,000 as salary for his son during the son's first year in the father's business. The Commissioner of Internal Revenue said \$20,000 was about right. The Board of Tax Appeals, in upholding the Commissioner's estimate, intimated that it itself might have come nearer to \$4,500.

The Board of Tax Appeals appears to have gone into the case with much thoroughness. It recorded the courses which the son had pursued in college, noticed he had been business manager of a college publication, and went through the young man's war service. The Board of Tax Appeals included in its findings of fact a description of the ceremonies attendant upon the son's entering the business, in 1919. According to the Board of Tax Appeals (the father playing the rôle of taxpayer):

"The taxpayer furnished a large floral horseshoe emblazoned with the legend 'Success,' and the employes of the taxpayer sent a large basket of roses. The entire staff was called into the taxpayer's office and a photograph taken of taxpayer, son, staff, and floral offerings."

Toward the end the Board became severe. It was so unsympathetic with the arguments of the attorneys that it declared the son's "idea of his own importance," which was expressed so forcibly in his testimony, seems to have impressed his counsel more than it impresses us. The Board's final conclusion was that the young man had had little experience "in the business or elsewhere."

#### Baa! Baa! Bald Head

THE GREAT discovery has been discovered! Someone—said to be "a Japanese doctor"—has found an elixir that makes the hair grow. The tonic is described by Textile World as "a fluid which when injected into the veins of a sheep, say, every two days, promotes a rapid growth of hair." So rapid, in fact, that two months' injection produces twelve months' growth. "Thus two or three shearings each year are possible."

The sheep, traditionally stupid, looks over his shoulder at his swift accumulating wooliness, thinks, no doubt, that he demonstrates his cleverness at last, and marvels with secret satisfaction.

One can't help seeing vast possibilities ahead for the shrewd Wall Street operator among lambs. No doubt a financial "doctor," after mixing the dope in his research laboratory, will issue forth with his doctored retorts and raise such a crop for shearing as never was on lamb or sheep.

Of course the real trick will be to inject the stuff into the veins of genus homo. If sheep, why not man—to say nothing of woman? These thousand years and more, aye, even in the B. C.'s, the bald have looked wrathfully upon the hirsute and the wigged have lamped vengefully the coifed. One drop of tonic, now, and the whole world grins. Especially if (horrible thought!) the tonic should refute the fundamentalists, bear out the modernists, and produce a reversion-to-type or missing-link effect luxuriously thatched from crown to sole.

#### Farmer Goose and Business Gander

COOPERATIVE MARKETING, even of a by-product, the Department of Justice apparently thinks, is contrary to the anti-trust laws, if manufacturers instead of agricultural producers are the cooperators. The result is that a very interesting question will in due course of events come before the courts. This is the question whether what is good and lawful for American citizens who are engaged in agriculture is also good and lawful for American citizens engaged in other callings, in themselves as legally proper as-raising wheat or growing oranges.

The proceeding in which this question may be raised is directed by the Department of Justice against a company which has most of the features of a cooperative-marketing organization for agricultural products. Each concern using the marketing company subscribes to stock in an amount equal to the estimated value of the product it will deliver to the company in a year. As each of these "contributing stockholders" makes deliveries to the company it receives a small payment, later receiving an "added price" based upon the actual profits made by the company in disposing of the material. Dividends upon the stock itself are limited to 8 per cent.

The commodity is the hair which tanners scrape from cattle hides and calf skins as they tan them. As the capital of the marketing company is around \$3,000,000 and there seem now, after years of growth in the enterprise, to be about 250 tanneries which are owned by "contributing subscribers," it would seem that the average value of the by-product of hair which each of these tanneries has to sell in a year is not in excess of

The plan, the Department of Justice declares, is "strictly cooperative." The result, the Department of Justice alleges, is an almost complete monopoly of the trade in cattle and calf hair, with the company handling between 90 and 95 per cent of the country's supply of cattle and calf hair.

If the case could be decided upon the allegations which the Government makes to this point in its proceeding the result would be sure to be interesting. The decision might deal with the pooling of by-product, the fixing of prices for it, and the feature of the plan which requires each participating tanner to deliver all of his hair to the company.

The decision may, however, deal chiefly with matters which are now familiar through a long series of decisions; for the Department goes further. It alleges that the marketing company bought out an independent company which handled 20 per cent of the country's supply of cattle hair, made price agreements and the like with other independent dealers in hair, and generally conducted itself like an old-fashioned trust of the sort well known in cartoons. Indeed, the Department undertakes to show that the marketing company handling the hair proceeded to get control of a company which made the hair into felt of various kinds and through this company to achieve a monopoly in felts.

#### The Economics of Elephants

THE Manchester Guardian grieves for the passing elephant in South Africa and says:

"Just as Babbitt has supplanted the buffalo in the Middle West, so in South Africa there is a danger of such creatures as the elephant, the white rhinoceros and the sable antelope vanishing.

Why "danger?" The editor of the Manchester Guardian supplanted what? the sabre-toothed tiger and the great Irish elk? But none of us who enjoy that admirable paper would restore his predecessors in peopling Great Britain.

Would be, then, have us exterminate the Mid-west's Babbitts to restore the American bison? That impressive creature is, we are told, safe from extinction. Most of us and our children have seen them.

Why, then, be disturbed about the elephant? If the world can use elephants only as a curiosity or to give pleasure to those who shoot them, we shall keep a few in wild-game preserves and a few in zoological parks, and who'll be worse off?

As a beast of burden we are sure that Henry Ford can make a mechanical elephant that will outdo all the elephants of which Kipling ever wrote, even though it do not live on peanuts.

#### Sell First or Make First?

NROM TESTIMONY before a committee on postal rates:

Now, if through publicity, or if for some other reason, it should suddenly be said, "Why, let us not buy any new hat this fall; let us get out the old one we wore last year and have it repressed and reblocked," and we argued that sufficiently to the people, what would happen? Why every hat store in this city would be at a standstill. The proprietors would be walking around waiting for customers, and eventually the clerks would be discharged, and there would be no call for hats, and soon some of the proprietors would have to quit business. Now, I think there are hats enough manufactured in this country today that everybody could cover

his head with a new hat without manufacturing a single hat. But if we

did that, what would happen? Would it be a wise thing? . . .

Now, just the reverse of that is true. If you want business, you must advertise. Most things are sold, not bought. The National Cash Register Company years ago established this alogan: "Cash registers are sold, not bought." And that is true. And what is true of cash registers is true of other things. You must educate the people as to their wants and their necessities, and what the new article will do, and if you can educate them, then they will buy. But first is the selling, and the greatest means of selling in the world is advertising, more and more.

Is that a sound philosophy? Should selling come first? Is the chief object of business the manufacture of wants rather than the manufacture of goods? Must Smith buy his fall hat this pleasant September morning because the hat business must be kept going or because he wants a hat, either to protect his head or to gratify his vanity?

"You must educate the people as to their wants and necessities," said the witness. Few persons need education as to the necessities, but when we educate them as to their wants, the problem broadens. By skilful selling, through advertising or otherwise, Smith is led to believe that he needs a cap, a soft hat, a derby hat and a silk hat every fall. The hat business booms.

But does Smith boom? Is he happier or more comfortable? He certainly isn't richer. "But first is the selling!" That's a doctrine of business that's open to question.

#### Uniform Laws of All Sorts

LAWS on many subjects of importance to business men have been considered at the meeting which the American Bar Association held in Detroit, beginning on August 25. Although bills for federal legislation had their place, proposals for uniformity in state legislation were more numerous. The subjects on which uniform state legislation was considered took a wide range, from mechanics' liens and child labor to bedding, tribunals to settle industrial disputes, commercial arbitration, and regulation of public utilities. Some of the other subjects were:

Sale of securities Inheritance taxation Creation of corporations Trade marks Mortgages

Trust receipts One day's rest in seven Sale and possession of firearms Use of highways by vehicles

#### Down to the Sea in Ships

AN INSURANCE policy with each steamship ticket is a project which will come before the Comité Maritime International, meeting at Genoa toward the end of September. This proposal has been under discussion abroad for some time. The plan would be to have the steamship company obtain the insurance, giving to each passenger with his ticket a policy or certificate. The purpose would be to relieve passenger vessels from liability for personal injury resulting from negligence or accident. A passenger who thought the amount was too low in his case could obtain additional insurance at his own cost.

#### Nothing But a Tradition

THE Blue-Stripe-in-the-Mail-Bags campaign to stop waste has seized the imagination of the more careful people of our great country and is spreading further than you, perhaps, imagine. In Maryville, Mo., we are informed, a Mr. Croy discovered the back collar button to be leading a useless, parasitical existence. He shows that the back collar button is nothing more than a tradition, representing in original cost, upkeep and operation more than a hundred million dollars annually. An Association for the Abolition of the Back Collar Button is thriving. Some of Mr. Croy's neighbors feel that proper respect for tradition, if nothing else, demands that one keep the back collar button. So they are organizing the S. P. B. C. B., the Society for the Preservation of the Back Collar Button. And each, we hope, will have a paid secretary.

## What Better Transportation Has Done

"DO THE railroads get a fair deal?" "I don't know-I really doubt it. But do they

This isn't part of a smoking-room, time-killing conversathe very earnest type.

The subject under discussion was a statement made some weeks previously by Charles S. Keith, ex-president of the Southern Pine Association, and the head of large lumber manufacturing interests in the South and on the Pacific Coast. He said that much of the credit for the prosperity of this country in the last three years was due to the great im-Mr. Keith told seemed almost unbelievable. How could the standing leaders of industry.-The Editor

railways have accomplished so great a revolution and have kept it from the general public? Why the shrinking violet attitude in the face of a great achievement?

"About that I don't know," said Mr. Keith. "What I do tion. It took place in a busy office among business men of know is how great the help has been to the lumber industry, in which I happen to be engaged. Three years ago it required forty or fifty days to move a car of lumber from the mill to the consumer point. Today it is done in an average of fifteen days. The saving in stock carrying charges to the lumber industry is between 30 and 40 million dollars annually. That's only one industry out of many."

Nor is Mr. Keith alone in his opinion. Here is his stateprovement in railway freight operation since 1920. What ment of his views together with the views of other out-

## The Railways and the Lumber Industry

By CHARLES S. KEITH

Ex-President, Southern Pine Association



EFORE the war the average movement on one railway-the Illinois Central-of a loaded lumber car was 40 miles a day; at present it is 200 miles per day. Decrease in time, 80 per cent.

All railroads reached their lowest efficiency in 1922, the

year of car-repairers' and machinists' strikes, when the average time for delivery for a car of lumber was approximately 50 days. The present movement will average 15 days. This releases 35 production days for consumption.

The lumber production of the United States last year was approximately 37,000,000,000 feet, and the average running time of a saw mill is 280 days per year. Therefore, the average daily production of lumber throughout the year is 132,000,000 feet, and this average amount is put in transit each day. Based on this fact, each day that the time of transit between point of origin and destination is reduced has the effect of releasing 132,000,000 feet of production.

The difference in time of transit in 1922 and the present is 35 days, and this has re-sulted in releasing 4,620,000,000 feet per annum for consumption, or is equivalent to an increase in production available to the public of 12.5 per cent.

Where the dealer or consumer had to anticipate his requirements three to six months in advance, he now figures on from 30 to 45 days and has liquidated his stock accordingly. The total release of capital tied up in stocks and accounts in the lumber industry was approximately \$600,000,000 in 1924, which at 6 per cent means an annual saving of \$36,000,000, or about \$1.00 per thousand feet

As the average rate on lumber is less than \$10.00 per thousand this interest salvage alone effected a saving equivalent to 10 per cent of the freight charge.

The reduction in time of transit also re-sulted in an increase of railroad facilities. If the experience in the lumber industry can be applied to other industries, then the two and one-half million freight cars have naturally been increased in usefulness, through the reduction in transit time.

## What the Railways Themselves Say

By HALE HOLDEN

President, Chicago, Burlington and Quincy Railroad



Hale Holden

RAFFIC handled by the railroads in 1920 was enormous in volume. In 1021 it rapidly declined, heavily reducing revenues, but high costs of operation still continued, in addition to which the nation-wide strike of mechanical employes in 1922 added further diffi-

culties to operation. With these conditions before us, and anticipating the high tide of traffic which developed in 1923, the carriers early in that year addressed themselves in conference to the problem. In April, 1923. they announced their conclusions, which were summed up in a concerted purpose to render adequate and satisfactory transportation. In the four years 1921 to 1924, both in-

clusive, they invested in additional facilities (including new equipment) and in improvements and additions to roadway and structures, new capital amounting to \$2,849,735,-622. Of the amount expended, \$1,669,655,992 was used in the purchase of more than 8,500 locomotives and 480,000 freight cars.

The number of bad-order cars reached its peak in August, 1921, when 376,417 were reported. By December 1, 1924, this num-ber had been reduced to 189,140. In the case of locomotives the largest number awaiting repairs at any one time was 19,941, re-ported in September, 1921. By October 1, 1923, this number had been reduced to 9,823. The gradual reduction in the number of locomotives and cars requiring repairs, together with the new addition of more than 8,500 new locomotives and 480,000 new freight cars, produced an increased transportation plant, which was a large factor in enabling the carriers to perform an efficient service.

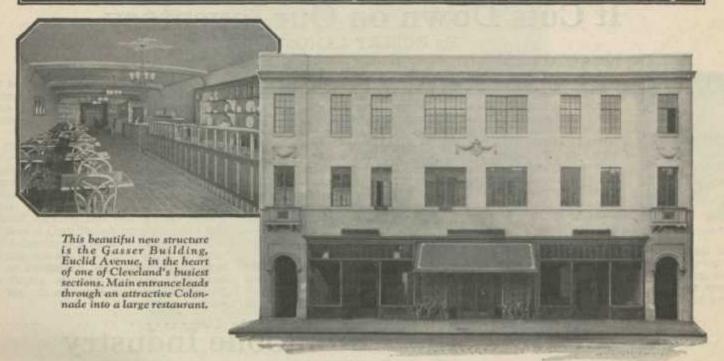
These large expenditures (both capital and

operating) required courage on the part of the carriers, and indicated that the railroads had faith in the growing prosperity of this country, in which transportation necessarily has played and must continue to play an important part.

The prompt transportation of our wares, whether by land or sea, enters into every phase of this question, and in my study of public utilities in Europe last year, I had the opportunity of comparing our privately owned public utilities with the government-owned and operated railroads and central stations of Europe. From a service-to-the-public

standpoint, there really is no comparison. In this country, we have in freight cars in daily transit two billion dollars worth of merchandise. The prompt deliveries of these railroad shipments of raw materials to our factories, and the finished merchandise to the shelves of our merchants, is helping to keep our inventories down to the minimum, thus requiring 20 per cent less merchandise capital

# Big Business Builds The Ferguson Way



# Yes, building costs can be cut!

BUILDING costs can be cut. And they can be cut without "cheapening" the structure in any way. It's largely a matter of proper planning—correct engineering—modern construction methods.

For instance: The owner of the Gasser Building in Cleveland found his architect's prices absolutely prohibitive. He took the matter up with an executive of The H. K. Ferguson Company—"Here is what we want to do," he said. "If you can cut the cost materially and give us a good building, we'll go ahead at once."

As a result, Ferguson replanned the structure to the owner's satisfaction and constructed the building in the thick of the season—at a much lower cost.

Ferguson can do the same thing for almost anyone, anywhere, who thinks of putting up a commercial or industrial building—anyone who is faced with excessive building costs—anyone whose architect's plans call for too heavy an expenditure.

Ferguson will do the job from start to finish-

will design and erect for you a building well under the usual estimated costs.

Moreover, Ferguson will cover every step of the work—the design, construction, delivery date and maximum cost, with a binding, written guarantee.

Remember that for years The H. K. Ferguson Company has been doing this for many of America's greatest industries. It has the engineers, man-power, machinery and stocks of essential materials that make such operations possible.

So don't abandon your building project because costs are too high. Wire, write or phone for a Ferguson executive. He will give you an entirely new viewpoint. If you would know more about the way Ferguson works, write for a copy of "The Picture Book of a New Profession."

#### THE H. K. FERGUSON COMPANY

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New York Office: 25 W. 43rd St.; Phone: Vandorbilt 4526
Detroit Office: 841 David Whitney Bldg.; Phone: Cherry 3127
Takis Office: Imperial Hotel, Tokio, Japan



than was necessary five years ago. This is one of the many proofs that we have the most efficient railroad system in the world, and is evidence of what private ownership and operation can do.

Finally, may I be permitted to add that we

must frankly recognize the fact that in spite of what has been accomplished, there still seems to be a railroad question. The carriers assert that all railroad problems as they arise should be dealt with and settled as economic questions and not as political issues, which they are not. Accordingly, if the public is to be furnished with adequate and satisfactory service, the railroads must be allowed to earn a fair net return upon their capital investment under the Transportation Act

## It Cuts Down on Our Inventory

By ROBERT LAMONT

President, American Steel Foundries



Robert Lamont

THERE can be no question in any business man's mind as to the enormous benefits accruing to all business from the improved railway service, but the ramifications of the effects are so farreaching that it would be difficult to appraise them defi-nitely without a very

careful study of the whole field.

In our own case, we are getting along with smaller inventories than we found necessary to carry ten years ago. Our methods and practice have naturally changed in that time

and there are other influences that affect the situation, but no doubt the largest share in the improvement must be given to better transportation.

Ten years ago the average daily distance traveled by a freight car in regular service was ten miles. In 1923 it was twenty-eight miles, and in 1924, twenty-seven miles. In the same period also, by improved methods of handling, locomotives are made to give more than double the former mileage. This means, of course, the railroads have practically doubled their effective equipmentwith an enormous saving in capital in investment.

Finding it impossible to depend upon the railroads for prompt deliveries of materials of all kinds has probably been largely responsible for the present "hand-to-mouth" method of buying on the part of most business concerns in the country. While some manufac-turers find this new development a disadvantage, it is undoubtedly a great economic benefit to industry as a whole.

Some very startling figures could be arrived at by taking the total annual volume of business in the United States and making an estimate of the saving in working capital requirements and interest in the conduct of this business, due to the improved railway service, but so many conditions are involved that without a great deal of study it would be difficult to make even an approximation that would be of any value. No one can question, however, the enormous advantages to the country as a whole from the greatly improved transportation service in the last few

## As It Affects the Automobile Industry

By A. R. ERSKINE

President, Studebaker Corporation



A. R. Erskine

HILE there has, without doubt, been a marked improvement in railway freight service in general during the last four years, there have been, and still are, certain conditions peculiar to the automobile business which have made this general improvement

much less noticeable in our industry. As a matter of fact, in our business we have always demanded quick transit time and have gone out and got it. Since its earliest days the automobile business has operated under high pressure and we have never followed

the general custom of delivering our product to the railroads or allowing incoming materials to be delivered to the railroads, and then letting them follow the regular course.

We have always made it a practice to get behind shipments, to trace them vigorously and see that they are moved promptly. Representatives of our traffic department at transfer points, the assembling of package freight into carload lots at such points, and many other similar steps have been taken to accomplish this result. While a procedure of this kind is the exception in other lines business, it is the rule in ours, and it would seem that the very nature of our business has made it so. While I can, of course, speak only as one manufacturer, I believe that what I have said applies pretty generally to the automobile industry.

The most notable evidence which comes

to us of improvement in railway service is in the fact that much less effort on our part is now required to secure the class of service which we have always found we must have. I am, of course, not overlooking the fact that the movement of automobiles is a very profitable business for the carriers and that the competition for this business has undoubtedly had its full effect in the better class of service which we have enjoyed.

Reference to the Interstate Commerce Commission's reports shows 23.5 as the average car miles per day for 1920, while in 1924 this figure had been increased to 26.1. an increase of 2.6 miles per day, or about 11 per cent. This, of course, when the volume of business is considered, is a very appreciable improvement, but it is far short of the progress that has been made in the movement of

lumber, as indicated by Mr. Keith.

## The Saving to the Electrical Industry

By E. M. HERR

President, Westinghouse Electric and Manufacturing Co.



E. M. Herr

100 MUCH cannot be said in praise of the railroads for the rapid progress they have made during the past few years in overcoming the difficulties and inefficient service brought about by government control and war necessities. A very marked improvement in effi-

ciency in all directions is noticeable, but I want now to direct particular attention to the great reduction which has been made in the time consumed in the movement of cars from point of origin to destination during the years 1924 and 1925.

The general average reduction in time of transportation of products entering into our business-that of the manufacture of electrical apparatus-has been between 35 and 40 per cent, as nearly as we can figure it from the rather incomplete records at hand.

This greater efficiency on the part of our railroads has resulted in a condition whereby distributors are placing orders for material in small lots and at more frequent intervals. Since these orders are placed with greater frequency, the manufacturer is able to adjust his production schedules to meet these shorter transit requirements, making it pos-

sible for all concerned to operate with a smaller amount of stock—a real economy from the point of view of the manufacturer as well as the distributor.

The manufacturer can operate with less stock of raw materials and his purchases can be guided more closely by market prices than by time consumed by the railroads in delivering the raw product, making it unnecessary to carry large stocks of materials bought at high prices so as to protect his delivery schedules.

These shortened deliveries also result in a quicker turnover of capital, thus making unnecessary the large cash balances required when industry is handicapped by transportation difficulties, and releasing it for use in the expansion of the business.



# 141/2 Cubic Feet for Samples

# What this extra storage space means to salesmen who travel in Studebaker Cars

WHEN you send salesmen out on the road in motor cars you expect them to carry with them samples, advertising matter, etc., as well as personal effects.

The Studebaker Standard Six Duplex-Roadster has a locked baggage compartment under its rear deck with 14½ cubic feet of storage space. Here samples, advertising matter, printed matter and personal effects are safely protected from the elements and from theft, free of dust and mud, handy for use when wanted. No bulky packages to lash on. No trouble in opening up corded and wrapped bundles. No exposure to dust, dirt, rain or snow. A big saving of time and material.

While the Studebaker Standard Six Duplex-Roadster is slightly higher in first cost than 4-cylinder cars, it offsets its higher purchase price by superior 6-cylinder performance, lower depreciation and longer life.

Add to this the far wider scope afforded by the powerful engine, enabling the salesman to cover more territory at less cost of time and effort. Add to this the increased personal efficiency it gives your salesmen. Just as travel in a Pullman has proved to be less wearing than a "day coach," so this fine, comfortable roadster gets your salesman to his prospect quickly and without fatigue or exhaustion.

The Duplex roller enclosures—an exclusive feature—banish curtain troubles, giving protection from rain or storm in 30 seconds. Other conveniences include a one-piece windshield with automatic cleaner and sun-proof visor, an 8-day clock, apeedometer, oil pressure gauge, gasoline gauge and ammeter in single grouping on the instrument board; lights controlled from switch on steering wheel; automatic ignition that eliminates the spark lever.

Based on the rating of the National Automobile Chamber of Commerce, the Studebaker Standard Six engine is the most powerful in any car of its size and weight.

Any Studebaker dealer will give you detailed information about this car and will gladly arrange a demonstration.

# STUDEBAKER

Standard Six Duplex-Roadster

# Bringing Power to Every Farm

By O. M. KILE

Author of "The Farm Bureau Movement"

"MAKE hay while the sun shines" will be a meaningless expression, another copy-book maxim permanently out of a job, if the present movement toward electrification of the farm lives up to the advance promises.

Not only is hay cured by electricity in any old kind of weather, but crop growth is stimulated, silage electrified into proper condition, hogs made to take on more rapid gains and milk sterilized by applications of electric current in its varied forms.

Hen houses, aglow in the evenings long after normal fowl bedtime, are no longer a source of mystery and speculation to passing motorists. The practicability of the use of electricity in securing greater egg production when eggs are highest priced, is now well established.

#### In Experimental Stage

SOME of the processes above suggested are still in the experimental stage but there is reason to believe that the use of electricity on the farm is about to make great forward strides.

Perhaps the most important reason for this belief is the fact that the great electrical industry has itself "discovered" the

FARMS must be made attractive as a place to live, and profitable as a business. Their produce must be made as abundant and cheap as modern devices and inventive genius can make them, in order to guarantee our food supply. As a social problem, life on the farm, and particularly in the farm houses, must be relieved of its exhausting drudgery through the application of electric power, just as we have relieved its desolating lonesomeness by the telephone, the automobile, the moving picture, and most of all, by the radio.

The farm can be and is being made the best of all places in the world to live. Farming must be made to yield profits commensurate with other business.—Owen D. Young, Chairman Board of Directors, General Electric Company.

present New Hampshire, New York, Virginia, Alabama, Indiana, Illinois, Wisconsin, Minnesota, South Dakota, and Iowa have these experimental lines running out through typical farm communities from some central power plant.

The power company makes the installations and furnishes current at a very low rate. Manufacturers furnish motors and equipment for the trial period, and the rural engineering departments of the state colleges of agriculture supervise the experiments.

#### To Keep Careful Records

THE PLAN is to keep careful records of costs, results secured from the use of current, new methods of using current, and similar data which can be made the basis for determining whether electricity can be economically used.

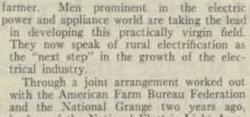
A typical installation of this kind on the 170-acre farm of F. A. Miller, near Red Wing, Minn., includes a cream separator, motor, incubator, brooder, milking machine, pump, sewing-machine motor, washing machine and combination feed mill, all specially built for

operation electrically.

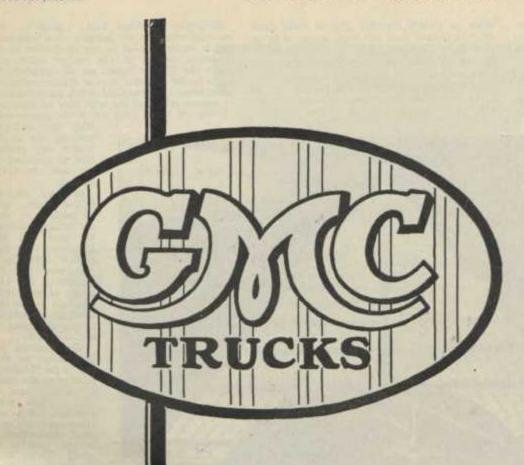
A recent survey showed that only 166,159

farms (exclusive





with the American Farm Bureau Federation and the National Grange two years ago, leaders of the National Electric Light Association and manufacturers of electrical devices, are setting up demonstration power lines in many states. At



### Public Confidence Is The True Test Of Merit

Thousands of GMC users express their faith in GMC by the surest sign—repeat orders. They know that GMC never sits back and rests in self-satisfaction every time it does a good job. GMC keeps right on working hard to do a still better job of furnishing high-grade performance with economy. These haulage buyers use GMC's continuous advance in the furthering of their own progress. Why don't you investigate GMC's performance records?

GENERAL MOTORS TRUCK COMPANY
Division of General Motors Corporation
Pontiac, Michigan

# General Motors Trucks

When writing to General Moyons Truck Company please mention Nation's Business

served by central power-station electric current. In addition, many thousands of farms had small individual plants, but these are used only for light and for very small motors.

Several foreign countries have gone ahead more rapidly than we have in rural electrification during the past few years. Denmark, for instance, has 50 per cent of its farms elec-

trified. Sweden has also made rapid progress and in certain parts of France big developments in this direction are now under

way. In France, particularly, govern-ment aid has been the means of hastening this move-ment. Under a law passed in August, 1923, the French Government lends to local communities and cooperative groups sums of money for farm electrification purposes at very low rates. In most forcign countries local groups of farmers form cooperative societies to own their own distribut-

ing lines, usually

buying their power wholesale from the central power plant. Wherever hydro-electric current is available the price is usually low.

#### Cheap Current a Factor

CALIFORNIA farmers have made wide use of electricity in their farming operations for several years. Cheap current from the mountain waterfalls has been one factor in bringing this general use, but probably the main factor has been the need for electricity in running irrigation pumps.

The great problem in getting current to the farm is to cut down the costs of wide distribution of small amounts of current. Usually the actual cost of current is but a very small part of

the price necessary to charge the consumer after all distribution costs have been met. The cost for transformers is particularly heavy.

ticularly heavy.

The National Electric Light Association saw plainly that the best means of finding a solution for this problem was to create a greater volume of use on the average farm. This started the search for new methods of making economical use of current in farm operations. Already very encouraging progress has been made.

This is an interesting illustration of broadminded pioneer work on the part of a great industry, but returns in the way of friendly attitude have already been reaped. Arthur Huntington, one of the leaders in this project, president of the Iowa Railway and Light Company, said to a meeting of public utilities men recently concerning this rural electrification project:

"Nothing has ever happened in the agricultural states that has tended to bring two industries, that were antagonistic toward each other, so closely together, and to make them appreciate that their interests, supposed to be so different, are identical in many respects. It has not been so many years since farm organizations were appointing standing committees to appear before the various legislatures demanding the passage of laws to compel the utilities to furnish service at urban



Huns which live is electrically-lighted houses sleep only 10 hours a night, and produce 20 per cent more eggs than normal. The upper picture shows the interior of an electric batchery at Potalama, California, where 25,000 chicks are hatched duily at a cost of less than a cent each

rates; to compel through court and commission rulings service at uniform rates. The utilities were just as unfair to the farmer, only we knew so little of him that even now we scarcely appreciate the narrowness, I might even say the ridiculousness, of our views concerning him."

A glimpse of what the future fully electrified farm may be like is gleaned from a report made by George Otis Smith, director of the Geological Survey, to Secretary Work of the Department of the Interior, following his visit to the World Power Conference in London last fall.

Mr. Smith visited the farm of R. B. Matthews, a prominent farmer and inventor of England whose farm at East Grimstead is probably as fully electrified as any other farm in existence. In part, the report said: Electricity furnishes heat, ventilation, and moisture control in egg hatching on a large scale, and is further applied to egg production in the automatic control of the electric lights with which the 550-hen houses are all equipped, the lights having the latest type of diffused reflectors. An automatic astronomical switch takes the place of human care, and the hens have an allotment of only ten hours' sleep out of the twenty-four-

With this longer working day in the winter, egg production is increased 20 per cent above the normal.

In the electriclighted dairy, with
50 milch cowa, electric milking machines
are used and Mr.
Matthews finds that
electric lights in a
cow barn pay for
themselves in the
saving of spilt milk,
especially as the certified milk is sold for
double the price of
ordinary milk.

The question has been raised by visitors to the Matthews farm as to the ethics of making hens as well as bees work overtime. But another one of his electrical propositions in beyond question of attack. Mr. Matthews makes hay when the sun doesn't

shine. The electric making of hay, as he practices it, is not a matter of electric heating or curing but rather a ventilating process. The green hay is brought to the large mown 60x20x25 feet, directly from the field as cut, and is built up as cured hay would be put into the mow, except that the mow is provided with air ducts and built-up flues. As the green hay begins to heat, this is detected by the thermometers and the temperature is kept under control by electric ventilating fans.

#### Makes Better Silage

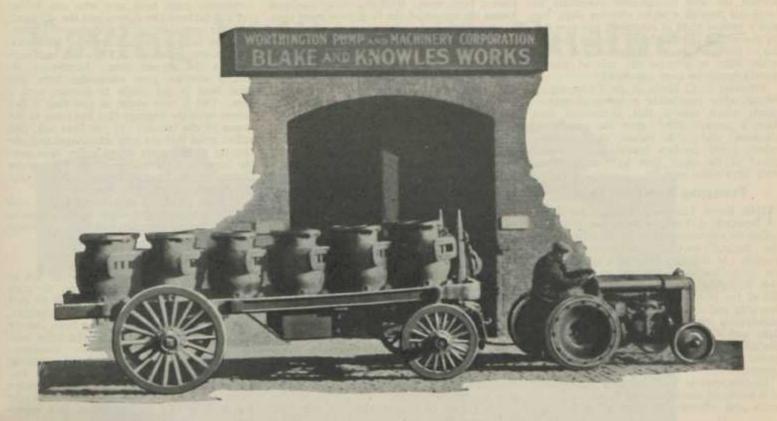
ELECTRICITY is also used in the preparation of silage. The base of the silo is wired, so that artificial heating of the fresh silage is possible, the quicker action resulting in superior quality and a silo juice that is good for the cowninstead of being a waste product. Mr. Matthews is now engaged in

in equipping a high-tension electrical unit for stimulating plant growth. This phase of electric culture is still in the experimental stage but is to be applied on a practical scale. Mr. Matthews' experience has shown that electric plowing can be done at less than one-half the cost of plowing by a tractor and, of course, with even a greater saving over the horse plow.

Advantages from the use of electricity on the farm sometimes come in very unexpected ways. For instance, it is said that power-driven cream separators not only remove a higher percentage of the butter fat but turn out a much more concentrated product than do hand-driven machines.

The president of the Iowa Creamery Association says that general use of motor-driven separators would save enough cream on ten good cows to pay the power bill and by reason of the richer cream would enable the creamery to increase its capacity one-third.

Hay crops dried electrically not only



## Heavier Loads in Faster Time

Inter-factory haulage is a matter of getting materials to their destination at the proper time and at the lowest cost consistent with good service. Fordson Tractors combine both features—time and cost—to a degree which makes inter-factory haulage highly efficient.

At the East Cambridge, Mass., plant of the Worthington Pump & Machinery Corporation, three Fordsons transport raw materials and parts from one shop to another at a cost of 10¾c per mile, including labor, operating expense and maintenance. With trailer equipment, larger loads are moved in faster time at a lower cost than ever obtained heretofore.

Fordson Tractor-\$495 F. O. B. Detroit



CARS · TRUCKS · TRACTORS

Sold by Authorized Ford Dealers

obviate the now ever-present possibility of total loss through a series of rainy days, but give a greater yield of nutriment per acre due to absence of the usual loss through shattering of the finer leaves. Application of ultraviolet light to increase the rate of animal growth seems to have possibilities.

President C. C. Little, of the University of

President C. C. Little, of the University of Maine, after concluding a series of experiments which showed that ultra-violet rays have a marked effect upon the growth of chickens, said: "It means that chickenraisers could produce broilers some weeks ahead of the usual time by treating them with ultra-violet rays."

#### Promoting Growth of Plants

THE Boyce Thompson Institute for Plant Research at Yonkers-on-Hudson is undertaking an elaborate system of experiments on the use of electricity to promote plant growth. At this institute, there are facilities for controlling accurately and on a considerable scale, the factors which enter into the life of the plants, such as light, temperature, humidity and soil. There is an apparatus for maintaining constant conditions of artificial light and darkness, and for supplementing daylight. Refrigerating and electric heating plants make possible the absolute control of temperatures.

Electric current has been used successfully as a means of quickly curing meats, and as a quick and efficient sterilizer of milk. An toward farm work. With electrically equipped homes the women of the farm have more time for recreation and social intercourse.

Up in Minnesota where one of the first experimental power lines above referred to was installed, one family was just about ready to give up and leave the farm. Now they are staying. The wife gets along nicely without the ever-troublesome hired girl question staring her in the face.

Electricity lights the house, cooks the meals, does the washing and runs the sewing machine. It furnishes hot water in the bath room, runs the milking machine, the cream separator, the pump and the feed mill, and lights the barn when chores must be done after dark.

"Everyone is happier around a farm where electricity is used," reports one of the men interested in these experiments. "Even unborn chicks in the shell are touched to greater endeavors by the magic wand of electricity."

Two incubators side by side, eggs from the same hens, operated by the same experienced person, gave very interesting resulta. Where oil burners were used a hatch of \$5 per cent resulted, and 77 per cent in the incubator heated by electricity.

"And that isn't the only difference," the small boy of the family remarked. "Anyone can tell which bunch of chickens was hatched in the electric incubator by the looks of them; they are big and husky.

"It is fast developing that the electrical

companies must have men who can bridge the gap between the farmer and the utilities," said the president of a midwestern utilities company recently, in an address to his associates in the industry. "There are no such men at the present time. Gentlemen, no matter whether your companies have any rural lines or not, begin to prepare such a man. Did it ever occur to you that it has always been the engineer that has come to the rescue of the farmer? If you have not, just call to mind that the only advantages that the farmers of this great inland valley have over the farmers of the valleys of the Nile or the Ganges or the Vangste Kyang are those that the engineers have given them.

"I know plenty of agricultural leaders who will tell you today that it will be the electrical and mechanical engineer who will save them

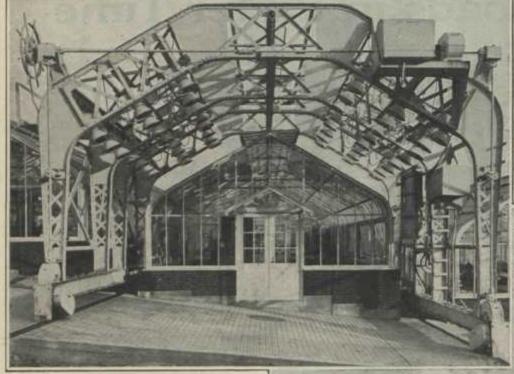
#### Future of Electrified Farm

PERHAPS it would be just as well not to wax too eloquent just yet over the rosy future of the electrified farm. It is all still largely in the future, it must be admitted. Some ideas that seem promising have already been completely discarded by the large concerns. One big electric-power company, for instance, found that electric heating of water for household purposes was impracticable, only after it had made extensive plans for launching on a large scale the manufacture and installation of such equipment.

Unfortunately, too, certain concerns have found it convenient to laud the possibilities of electrification of the farm as a means of unloading troublesome issues of stock in certain public utilities.

Nevertheless, it cannot be denied that much progress is now being made in extending electric service to farms and particularly in solving the problem of how to make it profitable for the farmer to use enough current to in turn make it profitable for the electric-power company to incur the heavy distribution and installation expense necessitated.

Our dream of the thoroughly electrified farm may become an actuality sooner than many expect.



DIGHE W. ARTHUR, YOUNDER, M. Y.

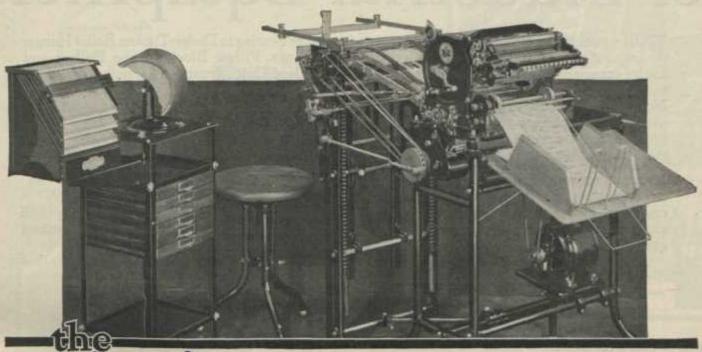
Gantry crane used for supplementing daylight at the Boyce Thompson Institute, Yonkers, N. Y. Right: Lettuce grown under constant light. Note the tendency of these plants to go to seed under light periods of more than 12 hours

alternating current of high voltage and low amperage passed through the bark of a tree will destroy insects without apparent injury to the tree. Orchards have been heated by electricity to prevent frost injury at critical periods. Millions of chicks know no other mother than the electric incubator and the electric brooder.

Perhaps the biggest gain through electrification of the farm comes in the release from drudgery and the changed attitude



# Saving Millions for Business



# inting MULTIGRAPH

VAST QUANTITY—an astonishing variety— A of printed matter used in business is being produced by the printing MULTIGRAPH. In hundreds of concerns the cash savings mount into thousands

We do not say that this equipment can or should print everything. We do say that in practically every business of any size it can print scores of office or factory forms, tags, labels, cards, sales bulletins, house organs, letterheads, advertising features and other pieces representing a large sum each year.

They can be printed on the Multigraph better, faster, in the privacy of your own business, and at a saving of from a quarter to three quarters of their present cost.

Circ of Domin, Ohio, saved \$1,-136.08, 50% of previous year's cost of printing. Ward Baking Campany produces all extinery and forms with the printing Multigraph. Arian-sille, saved 60% on the cost of printing a million labels.

City of Milwanker saved \$1,309.52, or 62%, on printing a single run of bullots.

W. L. Hand Medicine Co., Chur-

lotts, N. C., saved 55% of the total cost of the Multigraph and feeder mong job, 100,000 two-culor fermithends. The Public National Bonk, New York City, never \$1100 a month on printing forms and imprinting check-books.

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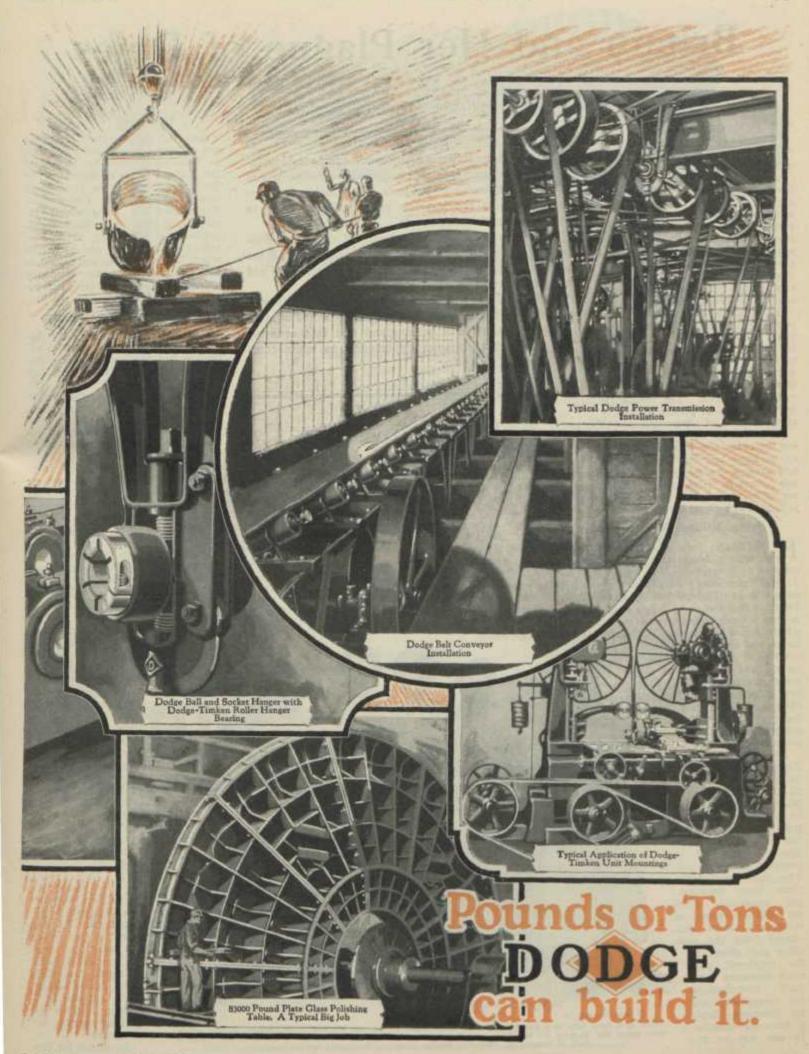
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# Britain and Her Plague of Doles

By P. W. WILSON

Former Member of the British Parliament

N CONVERSATION with business men, I gather that ness men, I gather that opinion in the United States is inclined strongly to condemn the system of "doles," as it is called, which has been adopted in Great Britain. It is argued that these grants by the treasury demoralize the workers by endowing idleness and that, so far from reducing unemployment, they aggravate this evil. Also, it is held that the cost of "the doles" falls as a burden on industry and so handicaps Britain in her endeavor to retain her hold on foreign markets.

These grave criticisms are supported by the simple fact that, seven years after the Armistice, Britain has 1,300,000 unemployed which means 12 per cent of registered workers and that her margin of savings for foreign investment has almost disappeared. The trouble in her coal trade at present is merely symptomatic of her general depression.

The doles in Britain are absolutely without precedent in industry, whether ancient or modern; and the figures which I shall now present are sufficiently startling without any comment from me. Most Americans are quite unaware of the magnitude of the system which Great Britain has adopted.

#### Seven Million Doles a Week

IN BRITAIN there are 9,000,000 homes, each with a family that, on the average, consists of five persons. In any given week, 7,000,000 payments are distributed by the state among those 9,000,000 homes, or three doles for every four homes. Of these doles, only one in five is paid on account of unemployment, which factor is merely incidental to the

scheme of industrial insurance against old age, sickness and other emergencies. This insurance embraces all workers from the age of 16 upwards, and today contributions are received from 16,000,000 em-

ployed persons.

The total annual expenditure on doles is roughly \$1,250,000,000 a year or \$2.70 a week per family. Most of this money is paid by the treasury out of taxes. Some disbursements fall on local authorities who levy "rates" on property in their area. Then there are contributions from employers and employed, which are paid by means of insurance stamps, purchased from the post-office and affixed to the employed person's insurance card. Such contributions are compulsory and are therefore simply a form of taxation. In one way or anSTATE monopolies in workmen's compensation in-surance, compulsory state-wide unemployment insurance-these are projects of which we have heard much in the last few years and are likely to hear more in the near future.

Much has been said in support of these and kindred projects, but it is well to stop a minute and see what has happened in Great Britain, where state aid has been carried to great extremes.

P. W. Wilson, who draws a sombre picture, is well qualified to discuss Britain's plight. He has studied social questions both in England and this country, and has had uncommon opportunity to make comparisons,-The Editor

> other, then, all the doles are derived from a public fund, collected under the law.

> The doles in Britain did not originate as so many people suppose with the war. For generations, Britain has had an extensive system of Poor Law for relieving destitution; and today there are, despite other doles, as many paupers as ever there were in the It was as long ago as the year 1909 that David Lloyd George introduced his famous Budget which made the first provision for pensions and insurance. At that time, there was no urgent distress. Foreign and home trade was booming. And the Labor Party did not number one-twentieth of the House of Commons.

The doles, therefore, were adopted, not in

a panic, but deliberately. They were not and are not regarded by Britain as Socialism. Originally, they were the Liberal Party's alternative to Socialism. And so far from being abandoned by the Conservative Party, they are being widely extended this year by the Baldwin Administration. You may, if you like, regard the doles as the blackmail which the bourgeoisie are paying to bolshevism. But the economic heresy, if it really be this, has be-come international.

#### All Started in Germany

A DOZEN nations are today dis-tributing doles—countries as various as Austria, Germany, Italy, Poland, Queensland, Russia and, last but not least, Ireland, where the Free State is continuing the system inherited from England. As a matter of fact, it was the Germany of

Bismarck that led the way to individual insurance. And it was in Germany that Lloyd

George studied the subject.

The plague of doles thus laughs at frontiers and if the United States has escaped the contagion, it is because of a good fortune in the enjoyment of which she stands alone According to official estimates, the wealth of the United States has been quadrupled in the last twenty-five years. There are 10,-000,000 automobiles, or one to every seven persons. A community so circumstanced can absorb its unemployed without effort and can entrust its sick and aged to the care of their families. In any event, a nation-wide scheme of compulsory insurance on British lines would infringe, presumably, on states rights and, like the income tax, would require

a constitutional amendment. But how does the case stand with Britain? The number of adult persons above 20 years of age who die there in a year is about 430,000. Of these.

there are not 100,000 who leave behind them property of \$500 in value. In other words, three out of four persons, from the cradle to the grave, live penniless.

Birth controllers attribute this poverty to the fact that every square mile of Britain sustains 12 persons

for every one person sustained by a square mile in the United States. To them, this whole problem reduces itself to the single word. overpopulation. For the

moment, let us defer that point and content ourselves with the simple fact that in the family budget of the average British home, there is little if any surplus for emergencies.

One reason for this



These girls have jobs in a Lancashire cotton mill. Doles in Britain, explains P. W. Wilson in this article, have meant that workers are less concerned about putting in a full day's work for a full day's pay. And in bulk of commodities, Britain's foreign trade has diminished by one quarter





# Pierce-Arrow Busses were again chosen

The mountainous region about Salt Lake City is a severe testing ground for motor busses, as the Pierce-Arrow Sightseeing Company of Salt Lake City has learned through experience.

After a thorough trial of five Pierce-Arrow motor busses used for sightseeing work over the mountain trails, the company has added five more Pierce-Arrow busses to the fleet. Federal Heights, which is an 11% ascent, is an example of the severe grades which these busses must negotiate.

The selection was based solely on performance facts. Knowing the severe service to which the busses would be subjected, the company kept close watch on the original five Pierce-Arrows and was convinced that Pierce-Arrow motor busses would assure the biggest returns on its investment.

Public preference was also a deciding factor. The speed, comfort, safety and riding qualities of the Pierce-Arrow busses attracted such a remarkable amount of patronage that more busses were needed. It came quickly to the attention of the company that the public showed a decided preference for those qualities which are so characteristic of Pierce-Arrow motor busses.

Let us give you all the facts about the modern Pierce-Arrow motor bus, with its six-cylinder, dual-valve, 100horsepower engine and its many features that mean more trips and more fares per day, as well as lower operating costs.

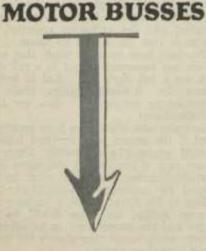
THE PIERCE-ARROW MOTOR CAR COMPANY Buffalo, N.Y.

#### Standard Chassis

offered in 196-inch and 220-inch wheelbase; completely equipped, including status, battery, 12-volt generator, electric lights, 36x6 single Iront and dual rear pneumatic tires, and disc wheels. Prices upon application

Terms if desired







poverty is the refusal of Britain to restrict her liquor industry. If her annual doles bill is \$1,250,000,000, or \$2.70 a week per family, her annual drink bill is \$1,500,000,000, or \$3.00 a week per family. It is doubtless true that two-fifths of the drink bill returns to the treasury as revenue. But the people pay the money all the same and alcohol is the deadliest enemy of thrift in the home.

To some extent, the burden of doles is a case, as Gilbert would say, of the punishment fitting the crime. Doles are among the effects of which drink is among the causes.

What, then, are the doles? Let us enumerate them in a rapid summary. As the term is understood in the United States, Britain has no soldiers' bonus. But she has had to compensate her citizens who were stricken in the late war. That struggle cost her 750,000 men dead and several times that number wounded. Today, therefore, more than 2,000,000 ex-soldiers and dependents are receiving allowances at a cost of \$350,000,000 a year, the whole of which large sum is paid by the national exchequer. All that can be said about this item is that every year it is diminishing by, let us say, \$20,000,000 or some such sum.

#### Help for Disabled Soldiers

A TOTALLY disabled private soldier receives \$10 a week, with \$2.50 for his wife. For the oldest child, the allowance is \$1.75 and for each younger child \$1.50. A widow receives \$6.50, with additions for children. If, however, she be under 40 years and childless, her pension is only \$5. The assumption is that she can take a job.

Secondly, Britain, like the United States, has paupers. The number of these destitute is about 1,750,000, some of whom receive outdoor relief, while the rest, including insane and feeble-minded, are maintained in institutions. The cost to the country falls chiefly on rates or local taxes and amounts to \$200,000,000 a year.

Thirdly, there are old-age pensions. Hitherto, these have been paid to persons on reaching the age of 70 years. In the future, the age limit is to be 65 years. The number of pensioners will be 2,000,000. And the amount of the pension is \$2.50 a week. The cost, about \$250,000,000 a year, falls mainly on the treasury, but some contribution is now to be made by employers and employed.

This contributory scheme includes a pension for widows of all workers. The allowance is to be \$2.50 a week with \$1.25 for the eldest child under 14 years and 75 cents for younger children. A widow with four dependent children will thus receive \$5.00 a week. The vast scope of this insurance may be realized from the simple fact that, according to the actuaries, the number of widows and children dependent on the fund will be, at the outset, 600,000, while, by the year 1965, it will have risen to 1,700,000.

#### Insurance Against Sickness

FOURTHLY, there is insurance against sickness. Into this fund, the employer pays 10 cents a week for every person he employed. The worker pays 10 cents, if a man, and 8 cents if a woman. The state adds about 4 cents. As "benefit," a sick man receives \$3.75 a week for 26 weeks, and a woman, when employed, \$3.00. At maternity, an employed man's wife gets \$10.00; and tuberculous patients are taken into institutions. The annual budget is \$180,000,000 and the number of persons on the sick list averages 450,000.

Each insured person may choose his own doctor from the local "panel" or roll of approved physicians. And for each "panel patient" on his list, a doctor is paid a flat rate of \$2.00 per annum. It is thus to the interest of the doctor to keep his "panel patients" in good health, a plan adopted in mitation of China where doctors are paid according to the patient's freedom from illness.

It will thus be seen that if there were no unemployment at all, Britain would still be blessed or burdened, however you describe it, by a vast system of doles, payable on behalf of her citizens from the cradle to the grave.

Benefits paid on account of old age, sickness, widowhood and service in the war may be defensible. But what about doles to the unemployed? It is here that criticism is concentrated. Insurance against unemploy-

ment is paid for by contributions as follows: Employer, 20 cents a week; male worker, 18 cents a week; with slightly lower rates for women and young people. The state adds from 7 to 13 cents for every insured person and the total cost of the scheme is \$200,000,000 a year. A man, when unemployed, receives \$4.50 a week; and a woman \$3.75.

That these doles promote idleness and malingering is, of course, the firm belief of many Britons themselves. Some individual cases of laziness could be mentioned, probably, by any resident in the country. But the remarkable fact is that there are more people at work in Britain today than there were before the war.

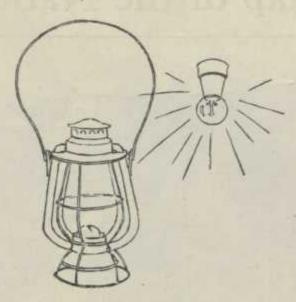
According to the census, the number of persons engaged in industry has risen from 16,289,000 in the year 1911 to 17,170,000 in the year 1921, an increase of 800,000, which is due to a growth of population and an interrupted emigration. This fact is the more amazing because high taxation has compelled the well-to-do classes to reduce the number of their servants from 2,000,000 to 1,500,000, which has meant throwing 500,000 "parasites" into "production."

#### Foreign Trade Has Suffered

IT IS true that there are 1,300,000 unemployed. But before the war, there were 500,000. So that the abnormal idleness is no more than 800,000. With foreign markets disturbed and the exchanges unsettled, the wonder is that the evil is no worse.

The doles have meant, I think, that workers are less concerned to put in a full day's work for a full day's pay. And in bulk of commodities, Britain's foreign trade has diminished by one-quarter. Also, her labor is ill-distributed.

Unemployment could have been greatly reduced if the unions had permitted labor to be used where it was wanted. Doles are in any case a burden. If commerce is to bear this burden, its limbs must be unfettered by unreasonable restrictions. According to Sir Alfred Mond, a business man of great ability, the doles should be suspended and the money used to subsidize industries which would thus absorb the unemployed into their plants.



## "Let there be light!"

In the New York Subway, there is provided in addition to the usual lighting system, a series of emergency lights that operate on a storage battery and are turned on automatically when the regular lights fail.

Fool proof? Sure! But in addition to these safety lights, each car carries an old-fashioned oil lantern. The subway takes no chances with

darkness and panic.

Similarly you should take no chances with fire in your plant. No matter how carefully you may have planned your fire fighting equipment, you need the extra safeguard afforded by the Hartford Fire Insurance Company's corps of Fire Prevention Engineers. A Hartford Fire Prevention Survey almost always reveals a grave though unnoticed danger. Hartford engineers check up your fire hose, operate your fire doors, test your extinguishers, study your watchman system, examine your "house-keeping", and the handling and storage of dangerous or combustible material. This service is free to Hartford policy holders.

There is a Hartford Agent near you. Ask him to put you in touch with this fire prevention service. If you do not know the agent's name,

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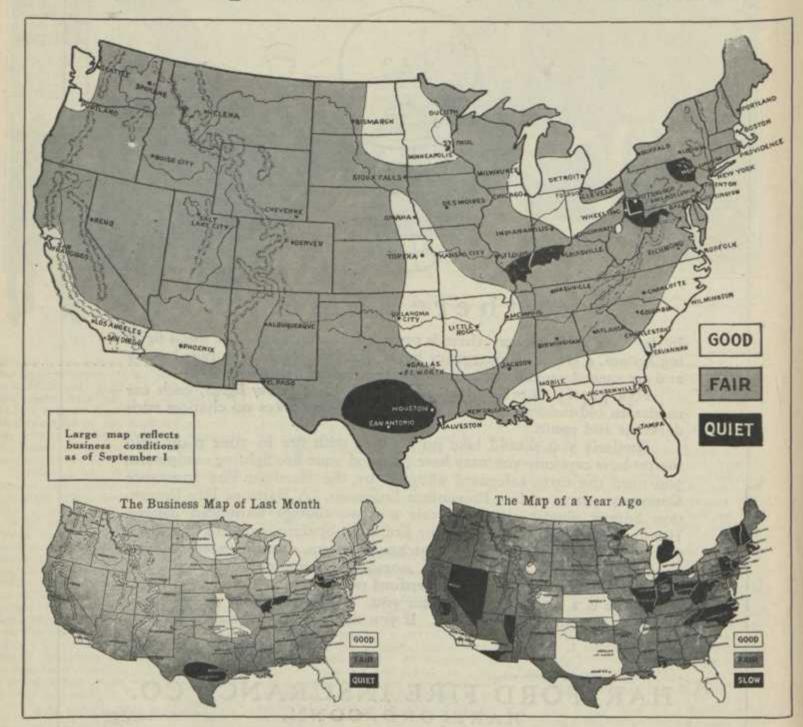
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The Hartford Fire Insurance Company and the Hartford Accident and Indemnity Company write practically every form of insurance except life

# The Map of the Nation's Business



#### By FRANK GREENE

Managing Editor, "Bradstreet's"

WITH the best of intentions of avoiding time-worn words and phrases to describe current-crop trade and industrial conditions, it seems impossible to get away from those old stand-bys, "irregular" and "spotted," in adequately depicting the conflicting movements which come to notice. Thus there is no gainsaying the facts that an apparently fully seasonal movement toward expansion occurred in August, that evidences multiply that the corner in trade distribution this year was turned in May, that most important industries reversed their retrograde trends in July and August, that the country has taken its two most important labor troubles rather lightly so far, that cur-

rent reports are the most cheerful since December, 1924, and January, 1925, and that the dominant note in trade and in speculation is still one of constructive optimism as to the future.

But—and this is a feature to be reckoned with—there is unquestionably still an undercurrent of disappointment with the net results of the business done or doing which points to the concededly large, in many lines and areas record-breaking, volume in pounds, tons or dollars being handled on close margins. In this connection it is probable that many men's minds still hark back to that golden year 1919, with its enormous foreign and domestic trade, its excellent profits, its practical absence of failure and of failure damage. These latter two, of course, are always with us, and like the longing of the Israelites of old for the flesh pots of Egypt, there is a memory of the days when goods sold themselves and everybody; or perhaps nearly everybody, was happy. However, those days are gone, if not forever, apparently for a long time to come, and if memory gilds this remarkable year it is well to remember that 1920 and 1921 followed 1919 and few of us wish to bring them back.

of us wish to bring them back.

One observation might be made here, and that is that, generally speaking, more business is being done and more dollars are being gone after, but also more people are going



# In the Subways of New York

AMARVEL of modern engineering, a triumph of resourcefulness—the subways of New York! And since the city is built on almost solid rock, the construction of its subways calls for the best equipment that engineering knows. All told, these subways involve the removal of more rock and earth than was moved to build the Panama Canal.

Hauling New York out from under its feet is a terrific strain on motor trucks. It's a job to test the strength of every mechanical part and to prove the stamina of construction.

There's a job for International Trucks and hundred years.

several fleets of them are working at it—day and night—in situations that call for ability and durability without refusal. Twenty years of building motor trucks shows to advantage here. Exclusive features of design—removable cylinders, ball-bearing crankshaft, auxiliary springs, steer-easy steering gear, and manyothers—all prove their worth in work like this.

And so, wherever trucks are called on to do a real day's work, Internationals are serving faithfully—serving as other products of the Harvester Company have served for almost a hundred years.

#### INTERNATIONAL HARVESTER COMPANY

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CHICAGO, ILL.

# INTERNATIONAL TRUCKS

The International line includes a Speed Truck for 2000-pound loads: Heavy-Duty trucks ranging from 3000 to 10,000 pounds, maximum capacities; and Motor Coaches for all requirements.

International has the largest Company-owned truck service organization in the world—111 branches in this country alone—the farther you go from one the meaner you get to another.

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Shoux City, lown Shoux Fulls, S. D. South Hend, Ind. Spotonfield, Ill. Springfield, Ma. Springfield, Ma. Torsey, Haute, Ind. Toledo, Chio Tupeka, Kait, Waltertown, S. D. Wichtin, Kan. after both the business and the dollars. Despite the fact that the improvement which occurred after mid-year of 1924 had by September 1 become quite well defined, the burden of evidence is that September 1 this year finds the volume of trade larger, industry more active, failures and liabilities smaller and some few of the leading crops

in better shape than a year ago.

On the other hand, there is the threat at the beginning of autumn to the supply of anthracite coal offering in a general shutdown of that industry, with 150,000 miners and 10,000 railroad employes withdrawn from production, and a vexatious fight between unions crippling the otherwise promising building industry. In the list of unfavor-able natural developments, the continuance of dry weather, which has, generally speaking, reduced the country's crop yields to a domestic basis, has trimmed the most promising crop, corn, slightly whittled down a part of the excess over last year, earlier expected, in cotton, and last, but not least, has lowered productive power by causing curtailment of output by many mills on the southern slopes of the Appalachian region.

#### Wholesale Trade Increases

OF current wholesale and jobbing trade, it may be said to be considerably better than a year ago, about equal to that recorded in the earlier part of this year, and with this exception, the best experienced since the spring of 1923. Silk, rayon and cotton-and-wool mixtures therewith, automobiles and their accessories, men's clothing, shoes, what are called "styled" cotton dress goods, worsted goods for both sexes, hardware of all sorts, including agricultural implements, jewelry and numerous other lines have stood out prominently. Staple cotton goods have been rather on the quiet side of that industry in primary markets, but it is worth noting that while raw cotton showed a net decline of over two cents a pound in August, staple cottons remained quite steady.

Retail trade in August, while naturally feeling the effect of the wane of the vacation season and the fact that fall buying has hardly begun, seems to have been better than in July in most lines, for which extensively advertised sales are credited with a good deal of responsibility. The gain in mail-order sales in August over July and the beavy increase over August a year ago is

credited to higher prices for crops.

Building surged ahead again in August. For eight months the total of the country's permitted-for building is about \$2,594,725,000, an increase of 14.8 per cent over the like period of 1924, and the largest aggregate of permitted-for building ever recorded.

Industrial conditions were better in August than in July just as the latter month was better than in June, in most lines, and the turnover was probably better than since late spring. Iron and steel output which at the close of July showed a larger daily output than the month before, in August marked a gain in total monthly output over July, the first gain in tonnage over the preceding month since March. Prices were fairly steady.

Output of coal in August was the largest since early in the year when the April soft coal strike was threatened. The automobilemanufacturing trade apparently did not make as many cars as in July but big centers of this industry report a large increase in employment over August a year ago. The shoe industry ran at a better pace in August and so did jewelry manufacturing though the gain here was moderate. Cotton-goods manufac-turing was affected by mill curtailment but

as shown elsewhere, purchasing was larger and the woolen goods industry, aided by lower raw-wool prices, used more of this product than in July, which in turn gained slightly over June. Of all the textiles, silk and rayon were most active both alone and in conjunction with other textiles. The agricultural-implement industry was in the best circumstances since the slump following the deflation of 1920-22 with an estimated output of 70 to 80 per cent of capacity. Nonferrous metals rose in price and in output.

Chain-store and department-store sales gained in August over a year ago. Mail-order and chain-store sales combined for eight months aggregated \$588,000,000, and were 14 per cent ahead of the like period of 1924.

Of the two big industrial conflicts looming (the reduction of textile workers' wages in New England has apparently been accepted with little friction) the coal miners' strike at present advices, though the most acute, seems the least threatening to trade and industry. Reasons for this are found in the stimulation given the bituminous coal industry, both union and non-union, by the turning of many thousands to the possibly less attractive but apparently cheaper fuel offering to the westward. Rumors of the union soft coal miners called out are rather intangible.

Petroleum production continued large and gasoline output and consumption were alike at high record. Prices of crude and of gasoline are lower all around. Big transfers of California gasoline to the east are said to have been a weight on prices in the face of

record consumption.

Car loadings are ahead of 1923 and 1924 with grain and live-stock shipments the only exceptions. July railway gross earnings have been topped only twice in that month, in 1923 and 1920, and net operating income only once, in 1918, while seven months' net operating income exceeds a year ago by 15 per

Following a rise in both rail and industrial stock-market averages as to a new high in late August, there came a rather sharp selling movement which gave rise temporarily to the idea that the long up-swing was to meet opposition, but a renewed rise in early September negatived this and at this writing averages are at still higher levels.

#### Rates For Loans Are Higher

RATES for loans are a little higher and the feeling has grown that there is still an abundance of money to be had for all business needs. Foreign exchanges have been steady to higher, those of Baltic countries leading in strength. It is possible that some of the liquidation in the grain and cotton and other prices in August, reflected in a decline in the price index after these consecutive monthly advances, was due to the slight but fairly general speculative shakedown in late August, but larger crop estimates early in that month were also influential. Bank clearings and debits totals reflect continued large gains, mainly outside of New York, over one and two years ago.

In foreign trade the feature in July was the expansion in exports over the like month a year ago of which manufactured and partially manufactured goods contributed a big share, the two latter groups accounting for \$44,000,000 of the total gain of \$61,000,000 shown in exports of domestic products and proving that in that month at least, cotton and grain exports were not absolutely necessary to the continued growth of our outgoing trade. In imports the big feature was the gain of \$35,000,000 in crude materials out of a total increase of \$48,000,000.

In keeping with its determination to give the farmers advice as to planting, the De-partment of Agriculture has called their attention to the fact that their "intention to plant" an increase of nearly 10 per cent foreshadows a possible increase of the winter wheat area which if persisted in, would, with average yields, result in a possible winter wheat crop 40 per cent in excess of that of 1925. It also figures that a spring wheat crop equal to the average added to the possible winter wheat yield might result in a total crop of 839,000,000 bushels which would provide an exportable surplus of from 160, 000,000 to 240,000,000 bushels in the face of the upward trend in other countries and thus make for low prices next year.

The Department's advice appears good at present but so much depends upon the character of the growing season at home and abroad that such advice must be extra hazardous. Thus, if a repetition of the 1924 wheat crop in Europe and Canada occurred. and the farmer had taken the advice to keep down his acreage and lost a market for his wheat, the Department would lose caste among the host of its friends. If there is anything in the theory of keeping crops down to avoid a burdensome surplus, the farmer might well give the Department's advice consideration, but if the advice proves faulty through unforeseen crop developments, the Department need not expect any large amount of gratitude.

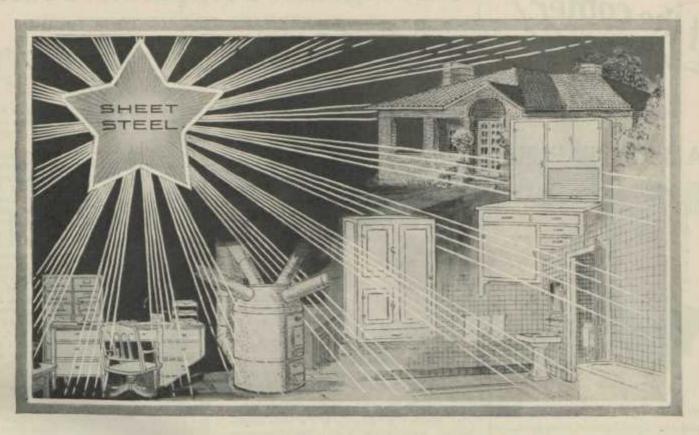
#### The Farmer Has Been Helped

AS AN example of the extent to which the American farmer, in defiance of himself, has been helped by not having a burdensome surplus this year, some figures contained in an article published in the Liverpool Corn Trade News, by Sir James Wilson recently, may prove of interest. That gentleman figures the world yield this year at 3,186,000,000 bushels as against 3,000,000,000 bushels last year and 3,440,000,000 bushels in the big year 1923-24. He figures that Europe can get along with 200,000,000 bushels less than last year, which will not be far from the size of the decrease in the total American yield, according to latest estimates.

If the United States had 200,000,000 bushels additional to dispose of this year the American farmer might not be getting as good a price as he is getting or expects to get for the rest of the 1925 crop.

Indications rather favor the idea that the corn crop now estimated at about 2,900,000,-000 bushels, but still 560,000,000 bushels above a year ago, will not prove burdensome to prices for that grain. At present prices for hogs, there is claimed to be more money in feeding the hog than in selling the grain. even at the present prices for the grain. lowing along the lines of this "feeding the grain" idea, two years ago it may be recalled the farmer saw his hogs sell at wonderfully low prices while the tail end of the big corn crop of the year before sold at high prices in the following September.

Old cotton men are not agreed that hot, dry, forcing weather, which causes the crop to ripen at one time over a big area as it has done this year, of and by itself indi-cates a big crop. Some of the results of this year's forcing weather are seen in the reports to Bradstreet's that cotton growers are drawing cotton pickers from every possible place and that cotton gins in many areas are running night and day. Some of the compensations are that the boll weevil has had a mighty poor year and that given a normal frost arrival, the crop will escape any real damage from early cold weather.



## A Bright Star on the Commercial Horizon -Lighting the Way to New Lines of Business

THE public is rapidly turning to products fabricated of Sheet Steel.

This trend of public demand is building business for those manufacturers and merchants who have the courage, vision and initiative to make and aggressively market things which serve the public to better advantage when made of steel.

The consumption of office furniture, desks and filing cases, made of Sheet Steel has been growing steadily and rapidly from year to year.

Dealers who are specializing in steel office equipment are finding such action exceedingly profitable.

Hotels, hospitals and private residences are learning that steel furniture is more desirable not only because of greater strength, durability and sanitary cleanliness, but also because modern methods of finishing provide unsurpassed beauty of appearance and new means of expressing individuality in furnishings.

These facts are equally true with regard to kitchen cabinets and refrigerators.

For construction purposes steel roofing in new and beautiful forms is rapidly gaining public favor, particularly in the shape of the popular Mission Tile. Shower-bath stalls and wall paneling for kitchens and bathrooms made of enameled steel sheets are being more and more widely used.

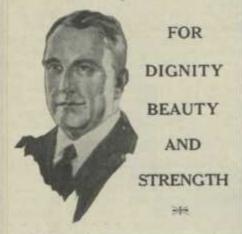
The demand for steel doors is growing steadily not alone because of their value as fire stops but because they are permanently beautiful.

In all of these and many other lines products of Sheet Steel are giving better service to the public and building new lines of business for merchants and fabricators who make and sell these products. You will be interested in our booklet, "The Service of Sheet Steel To The Public." Ask for a copy,

TRADE EXTENSION COMMITTEE
PITTSBURGH PENNSYLVANIA



#### SAMSON TABLES



THE furnishings of your office reflect the character of your business. Every executive learns early in his experience that a well-appointed office is one of the first essentials in industry, in finance, or in professional life. Samson Tables have preference everywhere. You will find in them the substantial dignity, the rich beauty, and the everlasting strength which you require in your offices.

The first cost of a Samson Table buys permanent service. Make this simple test, Just lift the corner of a Samson Table. You will get an instant impression of rigid, unyielding strength—of compact, close-knit construction—that is thoroughly convincing. The exclusive features of Samson construction produce the finest office tables in the world.

You will find it a simple matter to meet the ideas you have for furnishing your offices. We offer a splendid variety of designs in American Walnut, Mahogany, or Standard Office Oak finishes. Always insist on the Samson Trade-Mark. For there are no tables "just as good" as Samson Tables!

#### MUTSCHLER BROTHERS COMPANY

510 Madmon Street

Nappanee

Indiana



## Case Against Comparative Prices

By BERNARD G. PRIESTLEY

COMPARATIVE prices are fighting for existence with their backs against the wall. More and more large stores are vowing to have nothing to do with them in the future. Better business bureaus and merchants' associations in many of the larger cities are recommending their discontinuance.

The writer got from some of the largest stores in the country their reasons for discontinuing comparative prices. Practically without exception these stores discontinued comparative prices in the interest of truthfulness and honesty in advertising.

These opinions might be summed up in the

following way

Comparative prices are the chief ally of the "special sale," which threatened to reduce retail merchandising to a contest to see which could shout "values" and "worths" the loudest. Because of all this "shouting," people have come to discount price claims until they are skeptical of stores that talk of radical reductions day in and day out.

#### Tabooed by Successful Stores

YEARS ago Marshall Field announced that he would no longer use comparative prices. Many other successful stores have not used them for years. Notable instances are Carson, Pirie, Scott & Co., Chicago; R. H. White Co., Boston; B. Altman & Co. and Bloomingdale Bros., New York; The Emporium, San Francisco; Frederick & Nelson, Seattle; L. Hudson Co., Detroit.

J. L. Hudson Co., Detroit.

Marshall Field & Co. outlined its views
on comparative prices to the writer as follows:

The practice of this store to refrain from comparative prices had its origin in the early days of the institution. The exact date we cannot give. Marshall Field & Co., so far as we know, was pioneer in this attitude, as we believe it was in the matter of money back if not satisfied and the assumption the customer was always in the right.

The reason for the comparative-price taboo was a desire to be truthful in all our statements, whether over the sales-counter or through our advertisements. That comparative prices are an easy way to show a special value is obvious, but their untrustworthiness in common usage is well known. Standards of value are very elastic, and merchants not only seldom agree on prices but are forbidden by federal law to unite upon a standard price.

Merchants have many opportunities to buy at the seller's loss, but we hold it our function to share such opportunities with the public, so the special wise becomes our proper price.

special price becomes our proper price.

To mark an article higher than necessary for the sake of showing a sharp reduction later is plainly a dishonest practice, but there is no law to prevent it.

When an article in open stock is reduced it implies a waning demand at the former price, so its market value has changed. If the supply is limited, or the reasons for the reduction bear no relation to the character of the merchandise itself, then a reduced price may justly entitle it to be called a "special value."

In any case, however, we find it less confusing and more straightforward to quote only one price, which, all things considered, we establish as our standard price at the time.

As to the result of this policy, it is as indeterminate as the reward of virtue in daily life; yet we know it pays, because honesty pays.

It is Marshall Field & Co.'s contention that a given piece of merchandise has a "value" or is "worth" only what it can be sold for at the time the sale is made. A similar viewpoint is taken by practically all

of the other stores named in a foregoing paragraph. Frederick & Nelson, Seattle, which has never used comparative prices in advertising or on price tickets, says:

Our policy, in brief, regards the price at which an article is marked as the only price in which a prospective customer can be legitimately

That such terms as "value" and "worth" have been abused in the avalanche of "special sale" advertising and selling in recent years seems unquestioned. In fact the Boston Better Business Commission, the recommendations of which have been widely copied by merchants in many parts of the country, declares that these terms have been "greatly abused." On this subject the Commission, which has made an exhaustive study of the comparative-price question, rules: "Value is determined by today's buying power

"Value is determined by today's buying power of a dollar and should not be confused with any previous price quotations. When used in advertising, which is usually prepared in advance of the sale and without complete knowledge for what similar merchandise will be offered on the date of sale, it is at best a prediction. From practical experience we have found this term so greatly abused that we recommend its elimination. This ruling would also apply to similar terms, for instance, 'worth.'

"There are also terms that we believe the public construes as value and are so frequently abused that we recommend their elimination. For instance—'Made to sell for,' 'Usuai value,' 'Selling elsewhere,' 'Priced in other stores,' 'Selling in New York,' 'Instead of,' 'Should be,' 'Saving of 1/3 to 1/2,' etc."

Menace to Retail Business

FIVE years ago Samuel W. Reyburn, president of Lord & Taylor, New York, reached the conclusion that comparative prices were a menace to retail business. Witness the view of this store on comparative prices:

About five years ago we eliminated comparative prices from our advertising, believing they had become a menace to honesty and truth in advertising because of the general misuse of them.

Some advertisers today will quote an original price of an article; for instance, a suit at \$125 now marked \$75. Analysis of that might show that the suit had been in stock for a year and a half; therefore, the original price is a year and a half old. Our policy is that the actual value of an article is the price we quote it at today. If its former price was greater, its former value was greater. That is, its style, quality, etc., were better at the beginning of the season than they are now.

All the stores previously quoted infer that the public is thoroughly fed up on "value" and "worth" advertising. In the opinion of E. F. Holmes, president of the Holmes Co., one of the largest men's stores in Wichita, Kansas, there is no doubt of it. "We talk \$35 suits for \$35." he said, in a comment on comparative prices. "We seem to have our best success when other stores are advertising \$50 suits for \$29.85, or even at half price."

Carson, Pirie, Scott & Co., which has not used comparative prices or any comparative statements of the kind since the first part of 1014, gives the following reason for discontinuing them:

We hold no brief in general against the use of comparative prices, or comparative statements, but know from experience that our advertising has a better tone, and our merchandising policies have a better chance to work in an exacting manner when comparatives are not used.

AT the right is outlined a Division
Sheet, with tal. By
this means additional
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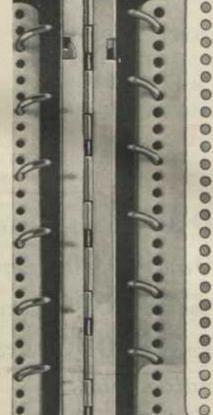
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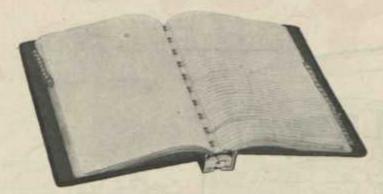
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The Brooks Visualizer is the only visible loose-leaf equipment with the famous





## 1000 Visibly Indexed Records



#### In This One Book!

Brooks Visualizers save many thousands of dollars a year on the cost of keeping and using business records.

They save even larger sums through better regulation of credit, quick collections, prompt statements, timely buying, stopping leaks—better control and operation of the business.

A Brooks Visualizer enables you to make the record, file the record, index the record, find the record and use the record, with less lost motion than any other equipment.

It's a loose-leaf, visible equipment with overlapping sheets, giving you 1% of an inch visibility. It is light, portable, easy to get at; it opens—flat—at the mere touch of a button, for removal or insertion of sheets; it is easy to install, can be put in the safe at night and is so compact that you can have ten thousand records on the top of a desk within reach of your hand. It is used by scores of big, well-known concerns, yet is within the means of the small business.

Write us on your business letterhead and have the Visualizer demonstrated by our nearest branch office.

#### THE BROOKS COMPANY

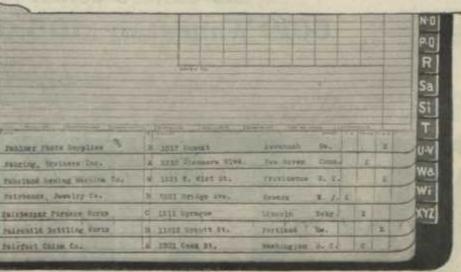
Visible Equipment Department

713 West Superior

Circeland, O.

Opportunities are still open in high grade men to chare in the rapidly growing differentian of this semarkable agree specialty.





# 100,0000





100,000 miles is four times

FRANCISCO NEW YORK 16 ROUND TRIPS

You would have to go from Now York to San Froncises and return 16 times by sail before you would second 100,000 miles of travel.

Owners' actual records of White Truck mileage

336 Whites have run 300,000 miles and more each

759 have run between 200,000 and 300,000 miles each

1204 have run between 150,000 and 200,000 miles each

3720 have run between 100,000 and 150,000 miles each

giving us the astounding total, by owners' actual records —

6019 Whites have run 100,000 miles and more each

There is a White Truck model to meet every transportation need. Truck chassis, \$2,150 to \$4,500; Model 50A Bus chassis, \$4,950. The names of all of the owners of the 6,019 White Trucks which have made these great mileage records are listed in a 100,000-mile booklet, published annually. You will find owners in your own section of the country, in your own line of business. Write for it. We will gladly send it to you—free.

WHILL

# 000,000 300,000 miles and more

No truck owner will operate a truck long enough to run 100,000 miles unless those miles are money earning miles

Once more the owners of White Trucks report from their actual records a volume of high truck mileages that has no parallel.

More than 6,000 Whites, whose owners actually check and report mileages, have run 100,000 miles and more each. We have no accurate record of the hundreds of additional Whites which have exceeded 100,000 miles. We do not count them.

A high-grade motor truck should run 100,000 miles. Whites do. Isolated performances of one truck, or even one hundred, are not performance standards. Hundreds of White Trucks, as far back as 1917, had set the 100,000-mile standard of measure for motor truck performance. And, while thousands of them have been reaching that mark, other Whites have gone on-doubling, trebling, quadrupling it.

More than 300 have passed the 300,000-mile mark and are still giving dependable service. Many have exceeded 500,000 miles.

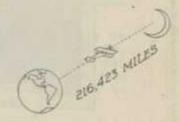
Some 100,000-mile White owners have only a single truck. Some have as high as twenty or

thirty in their White fleets that have each delivered 100,000 and more money-earning miles. Some Whites have achieved 100,000 miles in a few years. Others have required 10 years to run that distance. Still others, serving their owners with equal dependability and profit for 14 and 15 years, have not yet reached 100,000 miles.

But White Trucks in all sections of the world all models, in all lines of business—have contributed to this record. Mountain grade and desert sand, clinging mud and frozen ruts, broken city streets and untracked wilderness—through all kinds of going Whites have carried their pay loads over their hundreds of thousands of miles in all weathers, climates and altitudes.

We could offer no stronger proof that White Trucks give you more sustained, continuous, profit-making transportation than any other motor truck you can buy.

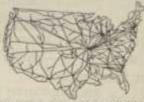
No other truck manufacturer has ever published such a volume of evidence of dependability, economy and long life. No other truck manufacturer can.



200,000 is almost as far as the distance to the moon-

NEW YORK LONDON

200,000 miles is more than 30 times the distance hetuent New York and Landon.

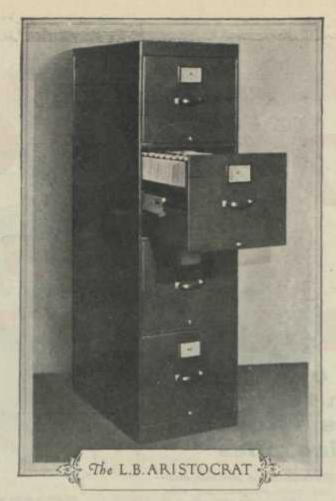


UNITED STATES RAILROADS

500,000 miles is more than the total mileage of the railroads in the United States.

THE WHITE COMPANY CLEVELAND

# TRUCKS



## The finest file L. B. ever built

## —and the greatest file-value you can buy

T is a true Aristocrat in every particular except price. By actual test this file has the stamina to serve you more than 49 years, if you want it to—longer than any other filing cabinet.

It will speed up your work: Even when heavily loaded, each drawer of the L. B. Aristocrat coasts open at the touch of your finger, for it glides on ball-bearing slides.

It will beautify your office: The L.B. Aristocrat enhances the appearance of any office it serves. Its design is dignified and stately. Solid bronze handles and label holders gleam

richly against the cool olive-green or native mahogany finish.

It will suit your needs: The L. B. Aristocrat is made in all standard sizes, including correspondence, legal, bill, check, order, counterhight, and 3 x 5 and 4 x 6 card drawer sizes.

It is the leader of the complete L. B. line, which includes cabinets at all prices and for all purposes.

Executives who believe in true quality at an economy price will visit the nearest of our 54 sales-rooms and inspect the L. B. Aristocrat. Or, write for booklet No. 820.

House Office: 230 Albuny St., Cambridge, Mass. Salesrooms: 54 principal cities of United States, England, France, Factories: Cambridge, Mass., New York, Chicago, Ilion, N. Y., New Orleans, La., London, England.

# Library Bureau

L. B. ARISTOCRAT · · · THE CHOICE OF AMERICAN BUSINESS

## Defending the Small Checking Account

IT HASN'T been a great while since the burden of a considerable amount of bank advertising was "Five Dollars (and sometimes even \$1) Opens an Account with Us." In other words, banks were bidding for a large number of accounts and were not concerning themselves so much with the size of these accounts.

That was good banking then. But recently it seems to be the fashion to "pick on" the small depositor. Cost studies innumerable are being made to show that his account is a dead loss to the bank unless it averages a certain amount monthly, and he is being cold-shouldered accordingly. What was good banking practice has now suddenly become poor banking practice.

#### I Became a Small Depositor

I WAS an employe of a bank for a time. I left the bank to enter other business and was successful, so that I did not need to concern myself with the matter of minimum balances and service charges. Then my health failed. My business, being a personal-service business, disappeared along with my health.

I shortly entered the maligned class of small depositors; and, now that my health improves, I am about to make official connection with one of the smaller banks. These experiences give me the viewpoint of both the banker and the depositor, and I want to rise up in the depositor's defense.

This problem of small accounts divides itself, it seems to me, into two parts. Or rather, the banks concerned divide themselves into two parts. There are the larger banks whose resources are, say, ten millions or more; and then there are all the smaller city banks and so-called country banks. The tenmillion resource limit is purely arbitrary with me, but it is probably fair to say that banks above that figure are able to see this question of small accounts in a different light from those below that figure.

Consider, by way of illustration, the National City Bank of New York. Suppose that great bank had no minimum account limit. Although I live for the present 2,000 miles away from New York, I should like to deal with them by mail if they would have my account.

The reason is simple: It would be largely a matter of pride in keeping my account with so great an institution. But the National City Bank is endeavoring to attract not small depositors like me but great corporations and banks smaller than itself, which is its proper field.

But what about the smaller banks even in large cities? The growth of these banks must, of necessity, depend upon the good-will of an increasing number of customers. They are not great banks at the outset.

May I illustrate with my own experiences? When my health failed, my family and I moved to a certain large city noted for its climate, and I opened a bank account from sheer force of habit. For a time my resources were such that my balance was kept well above the minimum in the big bank with which I dealt. But checks without deposits are a bit hard on bank balances.

Then the banks of the city instituted the service charge and pretty soon my account began to approach the minimum. For certain reasons we decided to move at about that

time to a nearby smaller town noted for various health-giving qualities. But not before I had begun to pay service charges on my account. I moved my account to the smaller town when we moved. And frankly I was glad of the excuse. Indeed, I experienced a sudden slump of good-will toward the city bank which was coincident with the payment

of the first service charge.

Bear in mind, please, that I looked at this matter through the eyes of one familiar with banking and not entirely from the standpoint of a layman similarly situated. In the bank where I had been employed I had frequently made cost studies, although the bank did not impose a service charge. I knew from these studies that my account was not profitable to the bank. But how much more bitterly must a layman resent this service charge. Laymen, anyway, have a distorted idea of the profits of banking.

Now what has this smaller banker gained or last by my account? He has, acknowledgedly, lost money on my account based upon the hard, cold figures of cost studies. But he has my good-will. Someone will smile at this possibly. But, in spite of the fact that banks depend more upon good-will than possibly any other business, few bankers— even if banking laws permitted—seem to con-ider banking good-will as a valuable and appraisable asset.

They will loan money on the basis of financial statements including evaluated good-will, but apparently ignore their own. The inestimable value of banking good-will shows itself very plainly indeed when, usually by some very minor happening, the balance of good-will is turned and a "run" starts.

#### I've Gotten Him Four Accounts

BUT MY good-will has been more tangible than the foregoing would indicate. There is keen banking competition in my town. My banker has been good to me, and in return, being a reasonably friendly fellow, I have gotten him four new accounts by introducing friends at his bank. Three of these were probably no better than mine. The fourth is, I believe, an account almost any banker would be glad to have. But look how I have broadened his field of good-will. If he deals as pleasantly with these four new customers as he has with me, his field of good-will is broadening by geometrical progression which isn't, after all, such a slow process. Then, directly as a result of me, he has one account the profits on which are worth while, and he has three customers who will probably bring him more accounts, a reasonable number of which will probably be profitable. And so on as he grows.

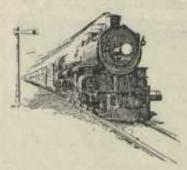
But these three friends and myself (not counting the fourth larger account I brought him) have swelled his total of deposits and therefore loanable funds by several hundred dollars in addition. If he gets enough of us he will be a big banker some day, for by swell-ing his loanable funds we help put him in a position to attract a big account he might otherwise never get. We really haven't done

so badly after all.

I haven't lived a great while, but in my comparatively brief years I have seen a num-ber of small accounts grow into big ones. I remember one Jew-don't smile-who came to the city in which was located the bank where I was employed.

He opened an account with our bank and began bringing in the greasiest, dirtiest money one could imagine. Some of the tellers used to despise taking in the stuff. His account was certainly a loss judged by the cost of handling it, for, in addition to being small,

# Stop



RAILROAD operation depends heavily on air brakes and block signals. These two essentials of safe operation for high speeds and heavy trains are provided by the Westing-house Air Brake Co. and the Union Switch and Signal Company, both of which have made extensive use of Stone & Webster construction service for important additions to their plants.

# Look



THIS Fall will see the UNI-VERSITY OF PITTSBURGH in possession of a splendid new STA-DIUM being built under the supervision of STONE & WEBSTER.

The seats are in two tiers fully enclosing the playing field and affording a capacity of 70,000. Mr. W.S. Hindman is Chief Engineer with Miss Marion K. Hindman assistant on architectural design.

## Listen



"His Master's Voice"

THE President of the American Sugar Refining Company wrote the Victor Talking Machine Company: "We employed Stone & Webster, Inc., for the construction of our new Baltimore Refinery . . . I recommend them to you unreservedly." Victor employed us to build a new manufacturing building, to enlarge another building, to remodel the power house, and later to put up another building.

CTONE & WEBSTER-built plants and structures are I found everywhere filling a multitude of power, industrial and other uses. Whatever you make or do you can profit by our varied experience for your new construction.

## STONE & WEBSTER

INCORPORATED

DESIGN-BUILD **OPERATE** FINANCE

BOSTON, 147 Milk Street CHICAGO, First National Bank Bldg. SAN FRANCISCO, Helbrook Bldg.

NEW YORK, 120 Broadway PHILADELPHIA, Real Estate Trust Bidg. PITTSBURGH, Union Trust Bldg.



HARD MAPLE by its nature implies the ability to withstand hard usage—hence its logical preference for the manufacture of things useful as well as beautiful, serviceable as well as ornamental.

Its intense hardness, exceptional strength, uniformity of structure, stability of form and resistance to wear, are qualities economically essential to the wood parts of implements, tools, machines, furniture and a host of other products from Automobiles to Zithers.

The lower grades of Michigan and Wisconsin HARD MAPLE also supply an important demand—that of hardy crates and boxes—invaluable for shipping use and immune to shipping abuse.

As a business proposition can you afford to overlook the practical and profitable application of HARD MAPLE in the product you make or buy — or of utilizing the lower grades for crates and boxes?

#### The Northern HARD MAPLE Manufacturers

309 F. R. A. Building, Oshkosh, Wisconsin

NOTE-HARD MAPLE may be had in mind shipments with Beech, Birch and other desirable Northern Hardwoods. Write for list of member rolls.

THE HARDEST HARDWOODS GROW IN THE NORTH

about half of the bills he deposited were in such shape that we had to send them to our Washington correspondents for redemption.

For some reason he moved his account. Why, I do not know; but I have a suspicion that some of the officers were not far-sighted enough. That was ten years ago. Today he owns one of the largest department stores in town, a row of dwellings and an apartment house, and has become a director of the bank to which he moved his account.

This is a fairly isolated case, I admit-But who compose the customers of the average bank anyway? Clerks and small business men make up a great number—indeed the greater number. A considerable proportion of the small business men will fail, of course. But some will succeed. Moreover, the clerk who is thrifty enough to open a bank account is likely to prosper.

#### How Some Banks Meet Problem

AND, too, your clerk is flattered to be able to bring in his friends and introduce them. He is creating good-will for the bank, and some of these accounts will develop.

Some banks are meeting this problem by what seems at first to be a foolish procedure. They ascertain the minimum balance upon which they can make a profit of 2 per cent. They then offer to pay 2 per cent upon all balances which do not fall below that figure. In the cases with which I have come in contact this minimum is usually about \$500, and it seems to be producing a decided upward trend in the balances of small accounts.

For the big bank a minimum balance is a necessity. In other words, it should—and can afford to—discourage the small depositor, for he is of no great value to it. But it isn't quite fair, nor very good business either, for smaller banks to have attracted a group of new accounts by widespread advertising and then cold-shoulder them. And unless a bank has reached the point in growth where it can refuse accounts which do not exceed a profitable minimum at all times, it will, in my opinion, destroy a deal of good-will and lose a deal of good business by instituting a service charge.

#### The Mushers' De Luxe Special

EVERY DAY announces a new mode of travel. Airplanes and dirigibles are commonplace. The very latest comes from Alaska: It is called—at least by Railway Age—the "Fido Limited."

The "Fido Limited" is a "bona fide" railroad. It is narrow gauge, to be sure, but boasts real 20-pound rails, a right-of-way, and

some 80 miles of track.

The line was originally in steam service, ran from Nome straight toward the North Pole through such miners' dream-cities as Moonlight Springs, Banner, Salmon Lake, and served to carry the miners and their gold nuggets.

By 1911, the gold and the shriek of the locomotive had died out together. For some time the Northern Lights had the Silent

Places to themselves.

Then some mushers unpacked a bright idea. Freight trips had to be made regardless of gold. Why not use their dogs between the rails?

Light, flange-wheeled cars were rigged, the dog-teams hitched thereto, and the dogs have been hot-footing it from Nome to Lane's Log ever since. Now that the territorial government has taken over the line, improvements will be made and the dogs will henceforth be on a more satisfactory footing with Alaska's traveling public.



# The Inevitable Typewriter

Noiseless typewriting has long been inevitable and now the inevitable typewriter is here.

It is the New Model 6

# REMINGTON-NOISELESS

with Four-Row Standard Keyboard

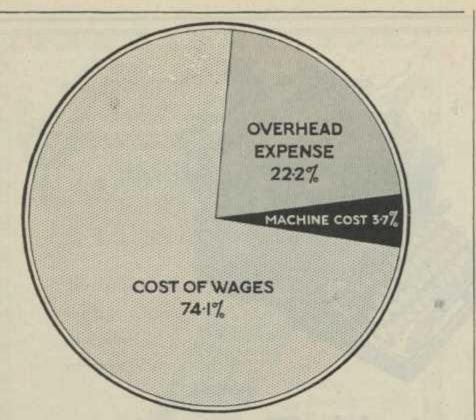
THIS new machine is the masterpiece among writing machines. It is the noiseless typewriter—rendered complete in its efficiency. It has the light, natural touch which is universally desired by operators. Its action is surpassingly easy, which insures a great volume of work.

It is an excellent manifolder, yielding plenty of clean, legible copies. And its work is beautiful—worthy of any user's signature.

Above all, it has the complete fourrow keyboard—exactly like every standard machine—the keyboard with which all operators are familiar—the one which fifty years of experience has proved to be the best. The operator of any standard machine who changes to the Model 6 Remington-Noiseless has nothing new to learn and no new typing habits to form.

Business efficiency demands noiseless typewriting, comfort demands it, human nerves demand it, health demands it. And the new Remington-Noiseless No. 6 is the complete answer to this demand.

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BRANCHES EVERYWHERE



## Save on the big investment by increasing production

The purchase of every Adding Machine involves an outlay of at least \$7800—plus price of the machine

Did you ever think of it in that light?

At \$1,000 a year for wages, plus overhead expense, the cost of operation is approximately \$1,300 a year.

Assuming six years as the minimum life of the machine then the outlay in clerk hire in the purchase of any adding machine will be, at least, \$7,800. Without a machine the clerk hire would probably be double that amount.

It follows then, that to% more work turned out in the minimum life period, means a saving of 10% on \$7,800-\$780.00.

Whether or not the Comptometer will show a saving of 10% or more on your work is easily determined, without interruption of regular routine or any commitment whatever on your part.

From a brief survey of your figure operations, a Comptometer man can tell approximately what saving can be made with the Comptometer-but for definite proof you can check the survey by actually doing the work on a time record basis.

A Comptometer man is at your service for such a verified survey with absolutely no expense or obligation. Your request in a line to us will bring

FELT & TARRANT MANUFACTURING CO. 1712 N. Paulina Ave., Chicago, Ill.



If not made by Felt & Tarrant it's not a Comptometer

Only the Comptometer has the Controlled-key safeguard

#### Picking a Name for the Business Baby

By MARSH K. POWERS

NAMING a baby is often a tough job. There are various reefs which must be diplomatically avoided before the family is agreed as to whether the newcomer should be named after rich and childless Uncle Jake of Keokuk, aristocratic but pen-niless Cousin Fanny Albemarle of the F. F. V., the baby's paternal granddad, or his ma-ternal granddad—or whether he should carve his way to fame as a "Junior." Naming a business baby apparently isn't

deemed so serious a matter.
"Bill," sings out one partner to the other, "What'll we call our company? I must order some letterheads and have the sign painted.

painted."

And then Bill usually comes back with one of these thirty-one names—"Acme," "American," "Atlantic," Atlas," "Central," "City," "Columbia," "Commercial," "Consolidated," "Continental," "Economy," "Federal," "General," "Ideal," "Independent," "International," "Metropolitan," "National," "Peerless," "Perfection," "Reliable," "Republic," "Standard," "Star," "State," "Union," "United," "U. S.," "Universal," "Victor," or "World."

It doesn't much matter whether Bill is

It doesn't much matter whether Bill is christening a bank or a lunch counter, a manufacturing concern or a laundry, he-and his partners-are usually satisfied with one of these titles.

If you don't believe this, pick up some metropolitan telephone directory and see what you will find.

#### Most Names Show Emotions

BUT before you turn to your telephone book, note how the names most widely selected unconsciously illustrate the varying emotions connected with the birth of a new business venture-the hopes and desires in

the minds of the proprietors.

There is, first, the "aspiring" group. The men who choose "Acme," "Champion," "Climax," "Ideal," "Peerless," "Perfection," "Star," or "Victor" betray both an ambition and an ideal-let us hope that the names selected keep them toeing the marks they have set.

A second group of proprietors want their concerns to be thought of first and foremost as dependable. That is why "Reliance," "Reliable," "Atlas" and their like are so frequent.

A third group, somewhat less imaginative, are satisfied if there is in the title a suggestion of the scope or history of the business-as in "City," "State," "Consolidated" or "United."

Larger than any of the above is the group composed of proprietors who seek for impressiveness, who aim to gain an air of hig business, even though the enterprise be small. Their favorite names are "Universal," "Continental," "International," "American," "National," "World," "U. S.," "Standard" and "Metropolitan." Often behind the imposing front of such a title you will find a business hardly out of the one-man stage. Decidedly different in mental make-up are such men from the man who goes to the other ex-treme and names his business after a street or a neighborhood and thereby perhaps unintentionally advertises to the world at large the idea that he does not seek to serve a wide radius. The "Eddy Road Lumber Company"

or "The North Shore Lumber Company" may actually be seeking trade all over the city and far out into the surrounding country, but they do not suggest it by the limitations of their names.

Finally, a very considerable group is com-posed of those who either want it known that they have broken old shackles and have gone out "on their own" or else want to in-sinuate that there is a "trust" or "combine" nefariously seeking your dollars. Few towns are so small that they have not at least one "Independent"—nor does that refer to the political species.

Now let's open some telephone directories. In the volume covering Manhattan and the Bronx you'll find twenty columns of "Americans" which, at 75 to 85 to a column (if we make no deductions for concerns listed more than once), totals up around the tidy sum of 1,600. Of "Acmes" there are 204. "Atlantic" and "Atlas" consume a page. "Metropolitan" by itself overflows a page. "National" runs through twelve and a half columns, thus batting better than 1,000. Even though Standard Oil uses space for

only thirteen phones, "Standard" as a name fills five and a half columns, or more than

a page and one-third.
"United" starts on page 1115 and, partly
by the aid of United Cigar Stores, runs on
to page 1117, where "United States" enters
the field and, even with government phones deducted, adds three columns more. "United" then tosses in another column for good mea-sure. A moment later "Universal" starts and runs up a score in the neighborhood of 225.

#### Alphabetical Vantage-Point

THERE are other interesting morsels of in-formation in that New York book. One hundred and thirty-nine concerns have been "consolidated." Thirty-two are "unique." Twenty-two are unique.

Twenty-two get first-page position with the name "A. B. C." In spite of that alphabetical vantage-point, they are, nevertheless, preceded by nine "A. A.'s" and seven "A. A. A.'s." Of local geographical names "Manhattan," with five and one-half columns, of course, heads the list.

Let's go to Cleveland next and see if

Let's go to Cleveland next and see if tastes in titles run uniform with Manhattan

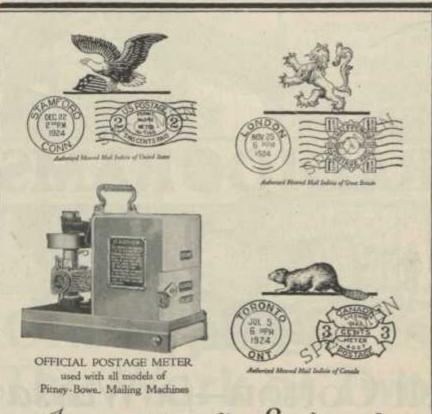
In a classified business directory of Cleve-In a classified business directory of Cleve-land, "Oils" is an important heading. And under "Oils" you will find represented "Acme," "American," "Atlas," "Central," "Columbia," "Commercial," "Consolidated," "Economy," "International," "National," "Perfection," "Reliable," "Standard," "Star," "Union," "United," "U. S.," "Universal," "Victor" and "World," One line of business alone thus matches twenty out of the thirty-one names given in an early paragraph. That Cleveland oil-list, by the way, reminds us of a few other names hardly less popular than some

tew other names hardly less popular than some of the thirty-one first quoted—for example, "Climax," "Crown," "Eagle," "Empire," "Enterprise," "Inland," "Leader," "Paragon," "Paramount," "Republic" and "Vulcan."

In Cleveland, however, "Union," "United," "U. S." and "Universal" can be compressed into one page while, in contrast, three local names, "Cuyahoga," "Erie" and "Euclid" considerably outstrip the four "U's" so strikingly popular in New York.

Out in Chicago the same names hold their

Out in Chicago the same names hold their popularity. The Union-to-United group consumes eight and one-half columns. "Reliable" and "Reliance" occupy three. "American" runs over fifteen columns, outstripping "National" five to three. "Standard" delivers six. Geographical considerations, however, serve to introduce a sizeable pair



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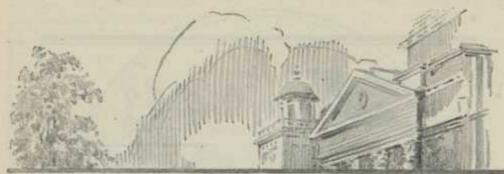
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Your quotation goes from New York direct to the heart of Poland. A speedy acceptance by your correspondent means three weeks saved. Use Radiograms to speed business. They are swift and accurate.

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RADIOGRAMS go direct to:

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1824 Broadway Columbus 4311

Walker 4931

244 Fifth Avenue, Madison Square 6750

SAN FRANCISCO, 28 Gearty Street, Garfield 4200

WASHINGTON, D. C., 1812 Compecticut Avenue, Main 7400

HONOLULU, T. H., 923 Fort Street

HONOLULU, T. H., 923 Fort Street

The Reserve

CHICAGO
BOSTON
NEW ORLEANS
BALTIMORE
NORFOLK, VA. 10 So. La Salle Street 109 Congress Street Carondelet Building Gay S Pint Streets 220 Brewer Street PHILADELPHIA
CLEVELAND
SEATTLE
PORT ARTHUR, Texas
LOS ANGELES

of twins. The newcomers, "Northwest" and "Northwestern," account for three columns, replacing in part the "Atlantics" and "Manhattans" of New York City and the "Cuyahogas," "Eries" and Euclids" typical of Cleveland.

One thing is apparent from all this-that if you want to christen your business with a name which will be distinctive, all your own and easy for your customers to remem-ber, the fifty-odd names thus far mentioned are good ones to avoid. I grant that many famous and prosperous corporations bear some of these titles, but they have been build-ing up their name and fame for years, often for generations, while a new business must start from zero and needs every advantage which can be given it.

The extra cost in advertising alone required to establish one of these names as compared to a name which has only a single application is, by itself, sufficient to make it decidedly worth while to select a more

individual title.

#### Paper Titles Follow Leader

THE most illuminating illustration of the widespread tendency to follow the leader is the case of newspaper titles. Approximately 14,500 daily, semi-weekly and weekly newspapers are published in the United States. It would seem that editors, whose stock in trade is printed words, would relish these fourteen-thousand-five-hundred opportunities to display their ability in the selection of distinctive names. Nevertheless, almost half of all these papers use, either alone or in combination, one of these five stereotyped titles—"News," "Herald," "Record," "Times," "Journal." Twenty-one hundred separate communities get a daily or weekly "News," plain or hyphenated.

This condition is surprising not only be-cause newspaper founders have, in the main, been men with a leaning toward writing but also because a newspaper can so pleasingly and profitably be individualized by a distinctive name which can never be confused with its rivals or contemporaries. The "Oil City Derrick," "Nome Nugget," "Tombstone Epitaph," the "Steamboat Pilot" of Steamboat Springs, Colo., the Miami (Arizona) "Silver Belt," the Texarkana "Texarkanian," the Greenville (S. C.) "Piedmont," and the Stutt-gart "Arkansawyer," are examples of names which are never in danger of suffering through mistaken identity.

It isn't only in company names that a well-chosen title is a valuable asset. It applies to

entire lines of business.

Proof of this is seen when, ever so often, the men engaged in some trade or business decide that they want to be rechristened and then try to induce a more-or-less un-willing public to adopt a new name. Out of such desires undertakers rename themselves "morticians," press agents label themselves "publicity directors," real-estate agents seek to become "realtors," and "wrist watches" become "strap watches."

The shift from "second-hand" to "used" cars, on the other hand, is an example of a change of name which has been generally successful. In this case, however, it wasn't only the insiders who wanted the change. Purchasers, also, decidedly preferred to buy a "used car" rather than to be known as owning a "second-hand" car.

What's in a name?"

"Nothing," says the poet,

He's right in so far as it is perfectly true that it is hard for a poorly chosen name to hamper permanently the progress of a well-managed business.

# There's a Limit

TYRANTS and dictators have, at various times in the course of history, made their will the law and scoffed at the rights of man; even legitimate governments in moments of national stress or peril have sometimes felt obliged to suspend the cherished safeguards of his liberties. But it has remained for the Union of Socialist Soviet Republics to attack the sacred, the time-honored, the inalienable right of womankind-a right asserted by the first lady of any land in the Garden of Eden and since maintained uninterruptedly by the heiresses of all the ages-the right of selfdetermination in matters of personal adornment.

The Soviet Government has decreed that no Russian individuals shall be permitted to subscribe to foreign fashion papers, the right to import these being reserved exclu-sively to "Mejdounarodnaia Kniga" (whatever that is).

To a certain extent, we see its point of view. What possible interest should a certain esteemed contemporary, for example, possess for a convinced contradess in a land where the word "lady" connotes all that is invidious in class distinctions? Would there not likewise be obvious incongruity in a copy of "Le Costume Royal" on the centertable of a proletarian parlor? Nevertheless, we have a presentiment that if the Soviet ofheials propose to prescribe for their women-folk in matters of wearing apparel, the au-thority with which they themselves are clothed will be very little and very brief.

Fashion's dictates may be blindly fol-lowed, but no other dictators need apply. The female of the species has a reputa-tion of her own in the fighting world, and we have more than a suspicion that the worm that finally turned was of the sex that likes to have the last word. . . . In the case in point that word should be "ter-

# Keeping Trade Home

ON THE subject of the talked-of cam-paign in England to "Buy British Made Goods," Hartley Withers, one of the bestknown European writers on economic subjects, writes in the Weekly Export Bulletin of the Philadelphia Commercial Museum as follows:

It might be expected that the great ones who are appointed to rule over England's destinies at this time of industrial difficulty would be above all things eager to set the wheels of international trade spinning as fast as possible and would avoid all measures that might clog them. But we find the Prime Minister, at the end of a speech on unemployment in the House of Commons, pointing to one way in which the people of the country can directly help, in his opinion, to solve the problem, namely, by making a firm determination to insist on buying British goods alone. It sounds very patriotic and sensi-ble, but if everybody did so it would check our imports and likewise our exports, because the less we buy abroad the less our foreign customers, already impoverished enough, can afford to buy from us; it would stimulate the home trade, which is comparatively prosperous, and would be very gratifying to manufacturers who work for the home market in competition with foreign producers, but it would add to the difficulties of our severely harassed exporters, and if all countries were officially encouraged to adopt this policy (as many of them are, by restrictions on imports), the stream of international trade, already dwindled to three-quarters of its pre-war volume, would be likely to shrink to half of it, which would hardly make for the prosperity of our shipping and shipbuilding.



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A merican Sales Book Company, Ltd., is a pioneer maker of original entry systems that block losses before they start. Continuous Inderfolded Forms, either handwritten or type-orifien, can be applied successfully to any business. Our first years' experience and the largest force of trained representatives in the field are at y ar versee.

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Tell me (without cost) how in my particular business, Con- tinuous Interfailed Forms will cut down my labor and costs.  Sond me your new folder on Continuous Interfailed Forms.  Sond me specimen forms.
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But many buyers of printed matter make the mistake of putting an investment in splendid copy, distinctive art work and fine engraving on the cheapest paper they can use. Yet paper is the foundation of the whole job!

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Book of samples and name of nearest jobber sent promptly on request

# Cantine's COATED PAPERS

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# Concerning Grasshoppers and Cotton in Argentina

ARGENTINA is optimistic about its future as a cotton-growing country—in spite of the grasshopper. Ernest L. Tutt, chief of the Cotton Marketing Division of the Argentine Ministry of Agriculture, has written a circular on the subject from which

we quote below:

"The cotton acreage of 1922-23 is given above as 57,000 acres. The 1923-24 crop was about 150,000 acres, and according to a census made by the Statistical Bureau of the Argentine Ministry of Agriculture the acreage under cotton on January 1, 1925, was approximately 250,000 acres. Some of the best thinkers of the Republic believe cotton is the very best crop for the sections of Formosa, Chaco, Corrientes, parts of Santa Fe, parts of Santiago del Estero, and parts of Misiones. They also think cotton will become important in Jujuy, Salta, Tucuman, Catamarca, and that it will be cultivated in La Rioja and Entre Rios. The importance of cotton is realized as the best crop for developing a vast undeveloped portion of the Republic and is having the special attention of the Ministerio de Agricultura. Two cotton specialists from the United States have been contracted for whose purpose it is to cause the industry to develop along a sound system of cultivation and marketing.

"One finds about the same variety of cotton insects that are to be found in all other cotton-producing countries. The boll-worm appears practically every year but does not always do a large amount of damage. The leaf-worm is also very prevalent, and, due to the scarcity of paris green and to the ignorance of the farmers regarding the use of paris green, the leaf-worm sometimes does a very great amount of damage. The 1024-25 crop was materially reduced by the ravages of the leaf-worm. The pink boll-worm has also recently made its appearance in Argentina. It is not a serious pest except in certain limited districts at present, but in small numbers it is found in practically all parts of the country. The government has recognized its presence and is trying to control it through the disinfection of the planting seeds. No boll-weevil has yet been discovered in Argentina, and it is believed there is none. Other pests which at times and in certain sections do some damage are the aphis, the Argentine ant, the red spider, the cut worm, and others.

# Grasshoppers From Bolivia

THE very worst plague against cotton and all other agricultural crops, however, is the grasshopper. Flying hoppers appear in the sky coming from the north every year about the latter part of August or early in September. Scientists believe they come from winter breeding grounds up in Bolivia. They always fly southward. They are said to alight when atmospheric conditions are contrary to flight, and when they descend they usually devour all the living plant life. They also deposit eggs. Some years there may be two or more migrations of these south-bound flying hoppers. Later, about November, small boppers hatch from the eggs deposited by the flying hoppers.

The new-born hoppers do not have wings for several weeks, but immediately upon hatching they begin traveling south by hopping, and they eat ravenously, devouring all living plants in their line of march. After several weeks these young hoppers develop wings, and during the latter part of the month of January, during February, and on into March, they return by flying back to their breeding grounds in the north. On their northward journey again they descend at intervals and eat ravenously of any green plant life.

"There is no known, efficient method for combating the flying grasshopper in Argentina. Scientists say the grasshopper can withstand more poisons than any other common field insect. There are certain poisons that will kill the grasshopper if applied with sufficient intensity, but when an intensity sufficient to kill the grasshopper is attained it will also kill animal and human life. Experiments have been conducted with smoke screens to prevent the grasshopper from descending in the fields, but such remedy has not proven practicable.

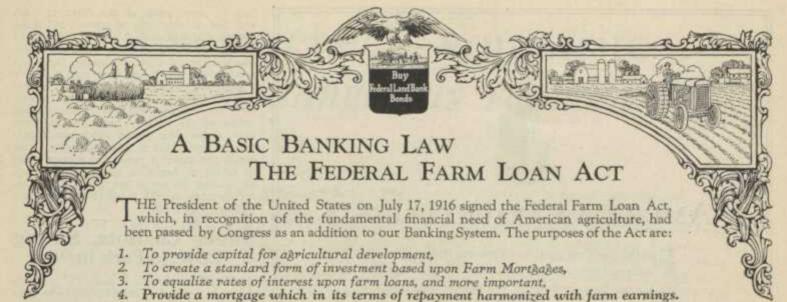
# Walls and Traps of Sheet-Iron

THE most common remedy at present in use against the small hopping hopper is the barrera, a sheet-iron wall about 18 inches high. This material is purchased from the United States by the millions of rods. Each piece is about one rod long and 18 inches wide, of thin, galvanized sheet iron. Slender iron bars about 3 feet in length, with small hooks on one end and the other end pointed, are used as posts or supports. These are thrust into the ground and then hooked and adjusted over the top edge of the sheet iron in such a way that the sheet iron is held upright. In this manner fences or walls are erected all along the north side of the field.

"At intervals of 50 to 200 or 300 yards along this wall traps are constructed. The traps are pens made of the same sheet-iron material, or holes dug into the ground. Run-ways are constructed leading into these traps. As the young hoppers encounter the walls which they cannot hop over, they turn their march along the wall and finally wend their way into the trap. They collect in the traps in very large quantities. Inspectors watch the traps and, when they are filled to the point where there is danger the pen will become so full that some can jump out, kerosene or gasoline is thrown over the hoppers and they are burned and then removed from the trap to permit others to come in. Many tons of small hoppers are killed in this manner each year. The Ministry of Agriculture provides the barrier material to the farmers each year and even erects the barriers in certain sections. They collect the material in the fall after all grasshopper danger has passed for the season.

\*Data relative to the cost of producing cotton in Argentina are unreliable and difficult to obtain, but it is probable that the cost is something under ten cents United States gold per pound. The cost of production in 1923-24 was probably less than half the average cost of production in the United States, as published by the U.S. Department of Agriculture.

"It is most likely that the average classification of Argentine cotton is lower than the average in the United States. There is also a



A farm mortgage like a railroad mortgage can be paid only from annual net earnings, and the old three and five year mortgages were as unsound economically for the farmers as would be the major financing of a great railroad on the same basis. They meant repeated and expensive renewals, often in an adverse money market, always

They meant the withholding of needed economic improvements such as liming, draining and tiling, and consequent impairment of production. They meant delay in modernizing the farm, thus driving many a farm boy off the farm, the continuing tragedy of American agriculture.

anxiety and too often failure.

The Federal System brought the amortized longtime loan (with liberal repayment privileges) so adjusted that on the basis of 5½% interest, the rate at this time, semi-annual installments of \$32.50 pay the interest and retire the principal in 34½ years on a \$1000 loan.

This enables the farm borrower in a prosperous year to improve his farm and add to his home comforts, and make farm life more worth while. That there was a real need and desire for such a service is evidenced by the fact that in less than seven years of active operations, 362,569 farmers have borrowed \$1,114,007,848 and that it was not solely a question of rate is shown by the fact that lowa, most favored of all the states by Mortgage Bankers, has more Federal loans than any other state in the Union, except Texas which is a Bank district by itself.

The easy terms of payment add to the certainty of payment and these massed mortgages, plus more than \$60,000,000 of capital, reserve and profits are the basic security for

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Interest is payable semi-annually at any Federal Land Bank or Federal Reserve Bank, making the coupons cash items anywhere in the country. Principal is payable at the Bank of issue, but arrangements for retirement are also made through the Federal Reserve Banks, Coupon or Registered Bonds (interchangeable) in denominations of \$10,000, \$5,000, \$1,000, \$500, \$100 and \$40, redeemable at par and interest ten years from date of issue, and on any interest payment date thereafter.

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In this commerce, the interests of the banker and the merchant or producer are inseparable and interdependent. Let business suffer and banking feels the effect; when trade prospers both banker and customer profit thereby.

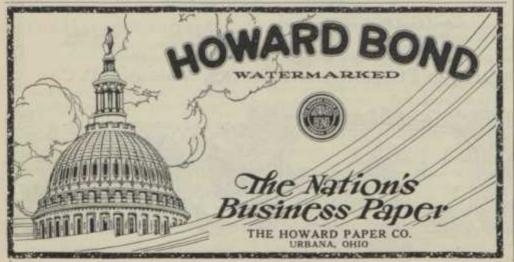
The Irving-Columbia's Out-of-Town Office is a contribution to the promotion of commerce. This Office, in the Woolworth Building, New York City, is a banking unit devoted to facilitating the business interests of customers in the United States outside of New York.

Its officers, by maintaining close personal contact with all parts of the country, keep constantly informed on business conditions in various sections, and thus are able to give each transaction that quality of understanding so important to the customer's interest.

Possessing in its own organization every banking, investment and trust service, the Out-of-Town Office, for all customer purposes, is a complete bank in itself. And it offers to customers all the facilities, world-wide connections and total resources of our entire institution.

# IRVING BANK-COLUMBIA TRUST COMPANY

New York



lack of appreciation of the effect of trash and dirt on the value of cotton, and some pickers do not use much care in picking. In certain exhibitions, at fairs, which the writer has had the privilege of classing, there was much cotton which had been very carelessly picked; and samples sent to fairs for exhibition are usually so good that one suspects they are not representative of the average cotton of the sender. Some pickers, however, gather clean cotton which should produce a good grade if ginned properly. One would also expect a rather low average grade of cotton in Argentina because of the lack of cleaning devices at the gins and because of the many defects which result from poor ginning."—C. D. S.

# Sweet Chariots, Swung Low, to Park in 90

RELIEF for persecuted parkers is at last in sight. Pigmy automobiles are to be manufactured at Detroit. By January 1, thinks Automobile Topics, the little cars will be ready.

The manufacturers intend to make the new "bug" cars parkable in a 90-inch space. They will be mostly closed models, with attractive body lines, baby balloon tires, disc or wire wheels, gear shift, instrument board, head lamps, four-wheel brakes, and all the rest

of the latest whims.

In Europe, of course, myriads of these little "bugs" have been running around for many years, and an Austin car, from England, has been brought over as a model to study and design from. The Austin has a 75-inch wheel base and a 46-inch tread. It weighs 750 pounds and "is hung so low that a person sitting at the wheel can reach over and touch the ground"—which, no doubt, offers advantages. The engine is 4-cylinder, water-cooled, with 2.2-inch bore and 3-inch stroke, and is rated at 7.8 horsepower. It is designed primarily for use in cities and makes a speed of 30 to 35 miles an hour with ease—enough to break the speed limits of all American towns, presumably, except Rapid City, S. Dak; Hasty, Ark., Colo., Minn., and N. C.; Speed, Ind., Kan., Mo., and N. C.; Hurry, Md.; Quick, Nebr., and W. Va., and Quick City, Mo.

The size solves the parking problem. And

The size solves the parking problem. And the low-hung style removes all peril of being flung out of the automobile, through centrifugal or other expulsive force. Remains now only an increased springiness on the part of the engine, or a lightsomeness in the nature of the tires, to clear the last hurdle—the

danger of collision.

Would it not be possible to invent an engine which, given a hint by the man at the wheel, would spring into the air and over the heads of pedestrians and profiteers at all street intersections or obstructions, landing gracefully beyond the danger point on all fours, "plus fours" intact? North and south traffic rules would read "Stay on the ground," while east and west would be directed, "Leap here" and "Alight here," on either side of crossings.

There is still another idea. Why not inflate all balloon tires with hydrogen gas: Cast off sandbags, rise into the air, float to destination, pick up "cache" of sandbags from telegraph poles, gradually descend to earth, stop. "Always remember to run back and tip the sandman," would be a courtesy motto to emphasize.

Now that we have achieved luxury and looks, something ought to be done about safety!

# Every check you write takes a dangerous round trip

TODAY you write a check and send it on its way. As you put it in the mail, that check starts on a dangerous journey,

coming in contact with people you have never seen-whose reputation you do not know. There always is the chance that it will be "sidetracked" and "held over" by dishonest people-those who are skilled in check raising and forgery. To erase the amount line is easy for these criminals - to imitate your handwriting by clever penmanship is a trick in which they are amaz-

out in the old-fashioned way. Consider this-according to an estimate made by the American Institute of Accountants, business men annually lose \$100,-000,000 through check fraud. Naturally the man who contributes his share to this amount is not caught again. This means ingly accurate. a new host of Regardless of losers answers the care every the roll call bank and honoreach year. able person takes who handles Make sure you that check of yours, it is not imare not among mune from being tampered with if it is on ordinary paper and made

# Eliminate check fraud by using these modern banking aids

The Protectograph climinates a large percentage of all check frauds by preventing raised amounts. Protectograph is made in a variety of standard models, one for every type of business, priced from \$37.50 up. It shreds the amount line, in indelible ink, into the very fibre of the paper. It is unexcelled in speed and case of operation-a favorite with the men and women who use it. And a saver of time in office routine. Only Todd can make a Protectograph.

Todd Greenbac Checks, with their patented self-canceling features, climinate another major source of possible cheek losses by preventing change of payee's name, date and number and "counterfeiting." Todd Checks are the handsomest as well as the safest checks made. Superbly printed or lithographed, they are made only to order, never sold in blank. Designed for business or personal use, they are reasonable in price, even when purchased in small quantities. Standard Forgery Bonds cover the remaining check-fraud possibilities; namely, forgery of signature and forgery of endorsement. Qualified Todd users receive policies at the most advantageous discounts from the Metropolitan Casualty Insurance Co.

When the Todd salesman calls, remem-

ber these facts about his company:
Twenty-six years of service and leadership in the check-protection field.
Sales and service offices in all principal
cities of this country and in 30 foreign

Salesmen are experts in protecting busi-ness funds. Their training and selling methods merit your confidence. Over 1,000,000 Protectographs in use. Todd Protectographs are kept in per-fect working order by service men in vertically either. principal cities.

Write for "The Lure of the Check" It gives the inside story of the check sharper. The Todd Company, Protecto-graph Division. (Est. 1899.) Rochester, N. Y. Sole makers of the Protectograph. Super-Safety Checks and Todd Greenbac







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Winner .	
Name	

# TODD SYSTEM OF CHECK PROTECTION



5 H.P. MORSE SILENT CHAIN driving textile machinery. Speed reduction: driver, 1450 r.p.m.; driven, 465 r.p.m. 24-inch centers.

75 H.P. Morse Silent Chain driving tube drawing bench. Speed reduction: driver, 690 r.p.m.; driven, 353 r.p.m., 42-inch centers.

MORSE Silent Chains transmit power between parallel shafts with least loss and greatest certainty. In sizes from one quarter to 5000 H.P., they are operating in practically every industry.

Positive as gears, flexible as belts and more durable than either, Morse Silent Chains provide speed reduction in almost any desired ratio. Applicable particularly to short centers and speeds from 6000 to 250 R.P.M. or less. The original Morse Rocker Joint, never excelled, conserves power—the friction loss is less than 1.5 per cent.

> Booklet "A Chain of Evidence" shows many applications

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# Our Banking and Tax Platform

THROUGH referendum voting of its mem-bership, the Chamber of Commerce of the United States has approved four proposals to give additional powers to national banks, and three proposals in behalf of fundamental reforms in the present system of taxation.

The recommendations included in the referendum on banking practice, and the

votes recorded, were:

That a national bank should be permitted, under regulation of the Comptroller of the Currency, to have branches within its own city if a state bank in the same city is permitted to have branches. For, 2,160; against, 105. That national banks should be given in leter-

minate charters, subject to forfeiture for cause and termination at the will of Congresa. For,

2,139; against, 124.
That national banks should be authorized to deal in investment securities on a basis not inconsistent with the generally recognized principles of sound banking practice. For, 1,9371/5:

That national banks should be authorized to make mortgage loans on city real estate for periods not in excess of five years. For, 1,808;

against, 425.

The three recommendations submitted in the referendum on taxation, and the votes reported, were:

That the Federal Government should always refrain from imposing estate or inheritance taxes. For, 1,9051/2; against, 2371/2.

That the estate tax now levied by the Federal Government should be repealed. For, 2,105; against, 126

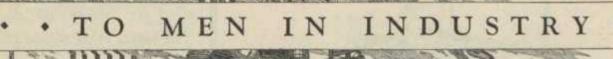
That there should be an organization of representatives of the states and of the Federal Government to coordinate national and state systems of taxation. For, 2,190; against, 56.

### Banks Want State Charters

BOTH referends were based on reports pre-pared by the Advisory Committee of the Chamber's Finance Department. With regard to banking practice the committee explained that "the national banking associations of the country in an increasing number are being attracted to organization and operation under state charters because of the relative illiberality in a number of important particulars of the national banking laws. This defection from the national banking system, as well as its decreased attractiveness to new banks, is resulting in a lowering of its prestige, a retardation of its growth and, by comparison with state banks as a whole, a relative decrease in its strength. At the same time it is working an appreciable change in the structure of the Federal Reserve System."

Figures were cited by the committee, showing the growth of state banking institutions and the steady decrease in the number of national banks. "Whereas forty years ago," the committee said, "state banks controlled only 25 per cent of the total banking resources of the country, and twenty years ago about 40 per cent, they now control more than half. In the past year the resources of state banks and trust companies increased two billion dollars, while those of national banks during the same period increased only \$787,000,000.

"Whereas forty years ago state banks in number were 38 per cent of all banks, and twenty years ago 64 per cent, they are now 73 per cent. In the past ten years the net increase in the number of national banks has been less than 500, or six per cent. In each of the past two years there has been an actual decrease in the number of national banks. In the past seven years nearly 200 large na-





Do they all work in your plant?

PRICTION. Leakage. Waste. Wear. Although you cannot see these pests they are constantly gnawing at the vitals of production so that your profit may be lean and undersized.

They assault the coal pile and they eat into the margins upon which profits are generally reckoned.

Although they are invisible their traces are found in almost every power plant. Heavy coal bills, hot surfaces wasting fuel, leaky steam lines, leaky rods and plungers, porous boiler baffles—all are evidences of the ravages of these pests in your plant.

### Johns-Manville prevents waste

It has always been our business to eliminate this devastation in so far as it is humanly or mechanically possible.

That is just what we are doing with our men and materials every day in thousands of plants.

In the instance of packing alone we have saved Industry thousands of dollars worth of fuel and power. Your individual packing orders are so small in money that they may seem trivial. But the number of these orders in the course of a year is so great that in most plants it amounts to a large total.

### Seven standard packings are all you need

To keep this total down and prevent wastes we have developed a group of seven standard packings. They are more than just efficient. Johns-Manville Sea Rings, for instance, actually reduce friction. All seven are noteworthy for their durability. These seven packings fulfillevery normal plant need. Therefore a varied packing stock in your plant is unnecessary. Spoilage and waste are avoided.

This is only one portion of our service in the elimination of the pests of friction, wear, waste and leakage that infest industry.

Get a Johns-Manville man into your plant. He will gladly tell you more about Heat Insulation, Packings, Refractory Cements, etc.



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# STOCK TRANSFER

# -is it a problem in your corporation?

IT TAKES years of special training and experience to develop a trustworthy transfer department and its responsibility always is great. For example:

- A corporation has been held liable for permitting a guardian to transfer stock standing in the name of a minor, without securing evidence of the authority of the guardian.
- A corporation has been held liable for transferring stock for a trustee where there was no power of sale in the trust instrument.

The appointment of The Equitable as your transfer agent will provide protection, and, by relieving you of much clerical and technical detail, it will also effect a real economy in your overhead.

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PHILADELPHIA: Packard Building BALTIMORE: Calvert and Redwood Sta CHICAGO: 105 South La Salle St. SAN FRANCISCO: 485 California St. tional banks, with resources in excess of two billion dollars, or about one-tenth of the present total resources of all national banks, have converted into state institutions. This represents average resources per bank of \$10,000,000; obviously not the smallest banks."

The position of the National Chamber, as determined by the referendum on taxation, conforms with the position taken by President Coolidge, the National Tax Association, and the Trust Division of the American Bankers Association.

### Abolish National Estate Tax

SUMMARIZING its arguments in support of the recommendation that the Federal Government should refrain from imposing estate or inheritance taxes, the committee contended:

"That death taxes have, by an unbroken series of precedents, been recognized as exclusively a field for state taxation except in time of war emergency; that at present state taxes on inheritance and estates are numerous and burdensome; that death taxes form a very appreciable portion of the current revenues of many of the states and that the states cannot be expected to forego this source of income; that death dues levied by the United States Government assume multiple taxation of estates and still further confuse a situation which is already chaotic due to the conflict of state laws; that the income from death taxes levied by the United States Government has never formed more than insignificant portion of the total ordinary revenues of that Government; that income from estate taxes is no longer necessary in order to balance the national budget."

For these and other reasons, the committee asserted that "the logical conclusion seems to be that the national estate taxes should not be imposed and those now existing should be abolished." It also insisted that immediate action be taken "in order that by continued use such taxes may not come to be regarded as a part of the permanent scheme of national taxation."

The method of applying the third recommendation, an organization of representatives of the states and of the Federal Government to coordinate national and state systems, was not defined in the referendum. But on the general principle the report stated:

"In addition to the confusion now resulting from the lack of coordination in the taxing systems of the states, there is now added in several instances another element of confusion, that of the United States Government levying taxes on the same sources taxed by the states. This situation is now particularly obvious in relation to corporation taxes, income and death taxes. It is conceivable that should this condition continue without check, there may develop the same competition between the National Government and the various states as now prevails among the states in regard to certain types of taxes, that is, each will tax the maximum on the theory that, if it does not collect the tax the other jurisdiction will."

### Results in Multiple Taxation

THE report concludes: "The present unsatisfactory tax situation, because of the confusion of state laws, results in multiple taxation; the taxation by the United States and the state governments of the same income or sources of income still further aggravates the unsatisfactory conditions; there appears little possibility of any permanent improvement of conditions unless there is some coordinating influence both between the states

themselves and between the state and the United States Government; and since there is now no existing organization for securing the required cooperation, it seems both advisable and necessary to perfect some organization composed of representatives of both the national and state governments to consider the entire question of the inequities and burdens caused by the unsystematic tax laws of the

The members of the Advisory Committee of the Finance Department of the National Chamber are: Fred L Kent, Vice-President Chamber are: Fred L Kent, Vice-President of the Bankers Trust Company, New York, chairman; Arthur Anderson, of Arthur Anderson and Company, Chicago; E. L. Carpenter, President, Shevlin, Carpenter & Clarke Company, Minneapolis; Fred R. Fairchild, Professor of Economics, Yale University; W. F. Gephart, Vice-President, First National Bank of St. Louis; Walter W. Head, President of the Omaha National Bank, Omaha, Neb.; Charles A. Hinsch, President, Fifth-Third National Bank of Cincinnati; Felix M. McWhirter, President, Peoples State Bank of Indianapolis; Roy C. Osgood, Vice-President, First Trust & Savings Bank of Chicago; Lewis E. Pierson, Chairman of the Board, Irving Bank-Columbia Trust Company, New York; John J. Raskob, Vice-President, E. I. du Pout de Nemours Company, Wilmington, Del.; and Owen D. Young, Chairman of the Board, General Electric Company, New York,

# Government Ethics

BUSINESS ethics as declared by business men and practiced by them are wholly unknown to some officials of the Government. That this barsh statement is true is attested by the Court of Claims in a decision it has handed down, declaring that the Govern-ment must pay damages in excess of \$600,-000 to a man who, according to the same court, fulfilled to the letter his own obliga-tions to the Government. tions to the Government.

The facts are simple. Having at the end of the war a large supply of bacon, the War Department sold more than two million pounds to a citizen of the United States who, in the court's finding, "has at all times borne true faith and allegiance to the Government

true faith and allegiance to the Government of the United States."

It then proceeded to indict him, not once but several times, under a law on the statute books two years before the sale, alleging he was a "hoarder" because he had the bacon the Government sold him. Incidentally, it had performed its part of the contract so badly that the citizen had lost sales, and it had even through sharp practice taken sales. had even through sharp practice taken sales away from him by learning through him about a prospective purchaser and then getting the purchaser to take other bacon directly from

The upshot of the whole matter was that, when the American citizen who had acted in good faith got cleared of the indictments and obtained release of the bacon, the meat was fit only to sell to a rendering plant or to consign to an incinerator.

When the Court of Claims came to pass upon the case it expressed amazement and quoted the startled question of another

"Is our Government of the superhuman type that releases the ruler from the obligations of honesty and fairness that are imposed upon the citizens?" The answer was an emphatic negative, and an award of damages in which the court went as far as it could to have the Government at least refund the loss it had caused.



ORE than six billion dollars of stock (par value) was transferred or registered during the first half of 1925 by this Company, as trans fer agent or registrar for more than five hundred leading corporations.

> Such a volume of transactions calls for exceptional facilitiesand it is an exceptional service which this Company renders in every trust capacity.

Booklet, "Trust Service to Corporations," sent on request.

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### "The Sunshine Belt to the Orient"



# Sailing Every Saturday to the Orient

The most frequent and convenient schedule ever offered to Trans-Pacific travelers is now

A Dollar President Liner departs every Saturday from San Francisco for the Orient and Round the World,

Thus those traveling either in the interest of business or for pleasure may enjoy the same comfortable and efficient service which distinguishes travel in this country.

### 22 Major Ports

Calls are made at Honolulu, Yokohama, Kobe, Shanghai, Hongkong, Manila, Singapore, Penang, Colombo, Suez, Port Said, Alexandria, Genoa, Naples, Marseilles, Boston, New York, Havana, Colon, Balboa and Los Angeles.

At any port there is time for visits ashore. Or you may arrange to stop over between the arrival of your President Liner and the sailing of a subsequent liner.

Your itinerary may be outlined in advance to permit the largest accomplishment in a minimum of time.

### Palatial Liners

There are fortnightly sailings from Boston and New York for the Orient and Round the World via Havana, Panama and California.

There is a fortnightly service returning from the Orient to San Francisco.

The President Liners are luxurious and comfortable to a rare degree. All rooms are outside deck rooms, those with private bath

The service is excellent, and the cuisine is world-famous.

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# Science at Your Service

# Reviews of Some Recent Books

Profitable Science in Industry, by Dwight T. Farnham, H. E. Howe, R. W. King, and Professor J. A. Hall. The Macmillan Company.

For very delightful reading, summer or other-wise, the average man would hardly select a book entitled "Profitable Science in Industry." Nor would one expect a work of sustained interest to the layman to be written by Dwight T Farnham, consulting engineer; James A. Hall, associate professor of engineering at Brown University; R. W. King, engineer of the American Telephone and Telegraph Company; and Dr. H. E. Howe, editor of Industrial and Engineering Chemistry, with the Macmillan Company as publishers. The title itself suggests graphs, long tables of statistics, and formulae with many strange symbols and characters.

As an actual fact the book, even to one with-out a scientific or methodical mind, is far more interesting and has more surprise elements in it than a detective story. Even if you know nothing whatever about science, if you happen to be interested in the new things of the world, dig into this book. No authors could be more au-thoritative; the president of the Massachusetts Institute of Technology wrote the foreword. Just a few pieces of information out of this

interesting volume:

Have you ever seen tea turn black upon be-ing sweetened? It happened in Newfoundland, Molasses or syrup was used to sweeten ten in that place and the business was worth getting. A dealer desiring to please an importer sent him a better grade of syrup than had been specified, in the hope that his trade might be won. Imagine his surprise at receiving a long complaint instead of expected praise. When put into tea it became as ink! At length a chemist was consulted. He knew that when a solution of iron is added to one of tannin a black color and even a precipitate is formed at once. He knew that tannin is to be found in tea, but whence the iron? Why had it not occurred before? The answer was found in the origin of the syrup. Barbados syrup was ordered. Louisiana was supplied. Syrup is concentrated in copper in Barbados—in iron in Louisiana. For most uses the Louisiana arti-cle is superior, but not for tea! The chemist was not long in solving the mystery.

### Billed \$1,000 for Water

A manufacturer was spending about \$1,000 per year for a boiler-scale preventive. He knew it would be more expensive to have the scale form in the boiler but he did want to know norm in the boiler but he did want to know more about the compound and why the little he used should be worth the cost. Knowing that chemists have ways of taking things apart to learn their composition he arranged for an analysis, and he learned that the solution was 3 per cent molasses and 97 per cent water.

That about tea and molasses. Here is one about electric-light filament.

Do you remember the first tantalum-filament electric lamp you ever saw? And then the tungsten? The first question was "What is it?" the next "Where can I buy them?" But they were fragile lamps; could only be used in certain positions, and while the light was excellent its cost was high owing to fila-ment breakage. This was due to the fact that tungsten melts at so high a point and is so difficult to work that these time lamp filaments were not continuous wires but composed of small particles merely pressed together.

The task became to produce ductile tungsten. The prize was the incandescent-lamp business of the world. The competitors were groups of American and German scientists. The contest was actual and real. It was scientific research of a difficult sort conducted under great

pressure. Here was an order for an invention and usually the best scientific work is not done under such conditions. It seems better to keep working with an eye on all results, knowing that all true knowledge is worth while.

In the end the Americans won and we all know the "Mazda" lamp.

Another piece of work was begun, not under order but for the sake of a scientific truth. This time what was wanted was to know something of the electrical conductivity of inert gases, those gases which show little or no in-clination to form compounds with other materials. It was found that filaments have very long life when heated to incandescence in such gases and give better-colored light as compared with lamps in which there is a partial vacuum. Nitrogen and argon are now largely employed in gas-filled lamps. The consumer gets the benefit of more light and better light for his money.

It has been stated that if the illumination of 1922 had been secured with the best type of lamp available in 1892 the cost would have been \$2,000,000,000, or \$1,500,000,000 more than it was. Surely research has paid all con-

cerned in this instance!

### Sheep-dipping Trees

Sulphur compounds are known to be destruc-tive to insects and fungi, and it was discovered when one day an orchard owner, who saw his best trees dying from San José scale, in despera-tion used sheep dip on these trees. This was the beginning of what is now a universal practice in the use of lime-sulphur solution, or dust, in fighting the enemies of horticulture.

Another interesting fact these "dry as dust" sci-entists tell us about is the accidental origin of

the great calcium carbide industry.

An experimenter chanced to throw a mass, resulting from an experiment wherein lime and coal had been fused in an electric furnace, into a pool of water standing after a recent rain. He saw the bubbles from the lump that sank beneath the water and investigation proved to him that the gas was acetylene. The industrial organiback to that simple experiment, is rated to-day at many millions of dollars and nearly everywhere calcium carbide and the acetylene gas which results when it is treated with water, are well known.

A scientist, it seems, has a way of speeding up processes. In filtration, for instance, many sub-stances to be filtered will leave a heavy deposit upon the cloths and other filter mediums, greatly reducing the rate at which liquids can be put through. Research has demonstrated that kieselguhr overcomes these troubles in many instances. It is used in the refining of vegetable oils, in the cereal beverage industry, in the soap industry and in handling fruit juices. In one operation with cereal beverages, which must, of course, in-clude the near beers, a saving of 836 per cent per barrel was realized.

### Grease Pays Dividends

They have also speeded up the process of vulcanization of rubber by means of an accelerator.

A woolen mill in New England installed new

methods for the recovering of wool grease, and from the savings in this one direction it was able to pay the dividends on its preferred stock. An explosive factory used alcohol as a solvent in making smokeless powder. Due to fine scientific practices, it saved alcohol equivalent to 50,000,000 bushels of corn during the war period. Every layman has some knowledge of the great

development of synthesis in chemistry. It will interest the housewife and every cook to know that a very good quality of laboratory vanillin is now being produced. This flavor originally came from the vanilla bean, which sold for about \$6 a pound, and contained 2 per cent of vanillin,





Crunden-Marsin is one of the largest manufacturers of metal ware and paper products in the country,
Their St. Louis warehouse and factory, occupying 750,000 square feet of floor
space, is completely equipped with the P-A-X

# Telephone Service Before and After Hours

It was twenty minutes after quitting time at Crunden-Martin Mfg. Co., St. Louis—yet the shipping crew was still at work on a rush order.

"That's a hundred of the small ones, chief. We need fifty more."

"All right, Eddie, phone the warehouse and if anybody wants me I'm headed toward the office."

The superintendent picked up his coat and was gone. The clerk leaned over a P-A-X phone. With two quick spins of its dial he obtained a direct telephone connection with the warehouse. "Hello, Jack? Say, we need fifty more of the small ones like you just sent. What? Fifty with rings? Not that I know of. Say, wait a second! I'll call the boss and call you back!"

With a click of the receiver hook, Eddie broke the warehouse connection. Then he gave three quick spins to the dial—the code call for the superintendent. At once, in every department of the great plant, gongs sounded the call two-one, two-one. On his way to the office the superintendent recognized his signal and jumped to the nearest P-A-X phone. "Yes, Eddie. Sure, that's it—with rings."

All day the P-A-X handles all intercommunication calls, relieving the outside switchboard for increased city traffic.

When evening comes the operator can say "Goodnight" without worry. She knows that no matter how late overtime workers stay the P-A-X will always be ready to serve them with interior telephony, code call, conference wire, emergency alarm, etc.

From Goodmorning until Goodnight and then until the next Goodmorning —24 hours a day—the P-A-X gives instant and accurate connections without an operator.



The P-A-X is a private automatic telephane exchange built of the same Stronger type of Automatic telephane explainment being so widely adopted for city service. Besides its fundamental use furinterior telephany, the P-A-X includes and co-ordinates such services as ode call, conference, executive's priority, emergency ularm, etc. It meets all intercommunication needs.

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Automatic Electric Company is the originator of P-A-X and is the only organization in the United States manufacturing interior telephone equipment under this trademark. Its use by any other company is absolutely unauthorized.





IF you maintain a steady production sched-ule your supply of shipping containers should be absolutely dependable. The customers of General Box Company never wait for boxes. Our twelve factories always deliver on time.

Were dependability of supply the only feature of General Box Service, the company would likely be what it is, the largest company of its kind in the world. But there is a corps of General Box Engineers to help you arrive at the most economical method of shipping your products.

Perhaps the new container-especially if a Pioneer Box or Crate-will save enough in transportation costs to pay for itself, as did a fender crate designed for an automobile manufacturer. There are other savings in assembly, in packing, in absence of concealed loss and damage.

Let a General Box Engineer-without cost to you-study your shipping methods. Write for bulletin-"General Box Service."

### GENERAL BOX COMPANY Chicago, Illinois

504 North Dearborn Street

Factories Bagalusa, La., Brooklyn, N. Y., Cincinnati, Ohio, Detroit, Mich., East St. Lavis, Ill., Illino, Mo., Kannas City, Mo., Lusiveille, Ky., Nashville, Teon., Nash Orleans, La., Shibuygan, Wis., Winchesdon, Marx.



SERVICE

ONE SERVICE FROM FORESTS TO

FINISHED PRODUCT

### What Pioneer Boxes Are

Pioneers are boxes or crutes made of thin, tough lumber and strapped with three or more steel wires of great strength. The wires are stapled on. The staples are anchored.

The boxes (or crates) are made in many sizes and shapes and are delivered in flat. folding form.

Pioneers are used by leading shippers in almost every industry.

Receivers like these containers because of the simplicity of opening and unpacking-and re-using.

A booklet "Incoming Shipments" covers the subject of proper boxing and crating from the receivers point of view. Sent free, on request.

which made vanillin worth \$500 a po... The chemists now produce vanillin for about \$10 a pound, which does the work of the \$30' ticle. As the author says, "It is perfectly sat \_ctory just as long as it is sold for what it is."

Occasionally an investigator finds an impurity to be of value. Soon after the German supply of potash was cut off, tobacco in some areas became affected with a disease known as "sand drown." Investigation showed that the American potash being used as fertilizer was too pure, the soil requiring a certain amount of magnesia. This is an impurity in German potash, and had to be supplied from other sources for use in combination with our potash.

Then there is the time element in research which may be discovered accidentally. One day when working with a new photographic emulsion which theoretically should have given good results, but practically had not, the research worker appeared twice and to his autorities found. worker sneezed twice and to his surprise found that the desired result was obtained. It was just that slight additional time required in that stage of development which had been previously overlooked.

### How Research Pays

It is important for the manufacturer of today to keep up with research developments in his industry. Dr. Howe tells of a group of men who erected a plant for the manufacture of metal parts for particular uses. Just about the time they were ready to go into production, they learned that another group had cornered the busi-ness because they had discovered improvements in the alloys to be used. This failure to keep in touch with the situation, and to make the best

use of science in industry, cost \$600,000.

Another group lost an even larger amount because they failed to realize that they were about to engage in what was really a chemical business, and never thought it worth while to consult a chemical engineer as to plans and processes.

Professor Hall tells about the progress in the study of textiles, and the result in the automo-bile industry. Not many years ago 3,000 miles was considered a fair life for a tire, while now 10,000 or 12,000 miles is a common figure. In the old days, the tire manufacturer believed he could use nothing but Egyptian long-staple cotton for fabrics and cords, and even then a comb-ing process was included to eliminate all short fibres. Today ordinary American cotton is used, and the combing process omitted, and the mileage increased three- or fourfold.

### Silk Soaks 33 Pounds

The development of the modern balanced tire, in which the thickness of the tread and the strength of the fabrics are both designed for the same operating life, is due largely to the many investigations into the strength of cotton yarns and the construction of fabric or cord so as to receive the rubber, and the adhesion of the rubber, all measured by objective tests.

A laundry had trouble with shirts made from mixed cotton and fiber silk. A test of the fiber silk was made and showed the strength as 36 pounds to the square inch when dry, but only 3 pounds to the square inch when wet. This necessitated a departure from ordinary laundering

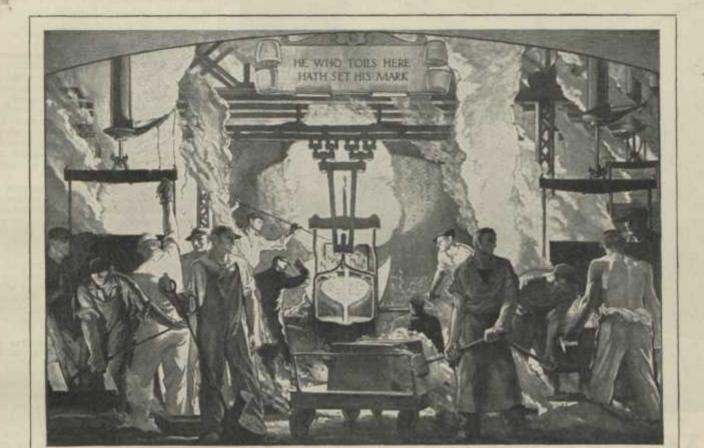
What these serious scientists tell about waste and mismanagement will interest any man in business or out of it. Mr. Farnham writes that in one plant they found \$200,000 worth of tool

in one plant they found \$200,000 worth of tool steel which had not appeared in inventory, and in unother a \$50,000 chunk of platinum was being used as a paper weight. As the cartoonist says, "Believe it or not."

A 90-ton propeller shaft was "lost" on the night shift of what was supposed to be a well-managed plant. It requires something akin to genius to lose a 90-ton shaft. Many years later it was found under the floor where the crew who had spoiled it hid it to avoid censure. who had spoiled it hid it to avoid censure

An investigation of a large shipyard showed that out of a pay-roll of 1,800, 350 of the men did not exist. When the investigators secured evidence of the superintendent's guilt their office containing the proof was burned.

Another plant had a high labor turnover, more than 600 per cent; it was due to a deal between



"Tapping a Cupola," mural pointing by Arthur Cours for Kohler Co.'s now General Offices or Kohler, Wisconson, awarded gold medal of the Architectural League of New York, April 20—May 2, 1923



Tower

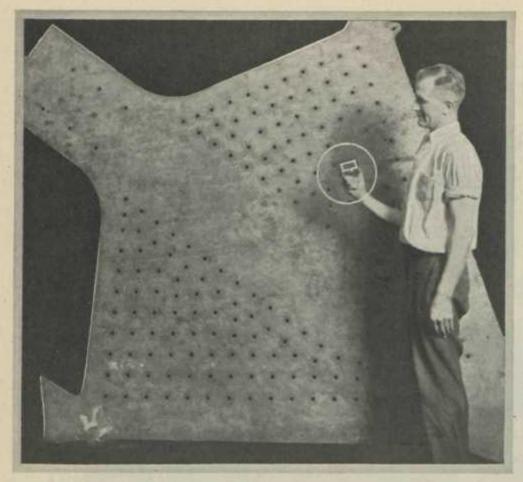
Kohler Co. General Offices
Kohler, Wisconsin

THE mural paintings in the new general offices of Kohler Co., at Kohler, Wisconsin, are expressive of the belief, shared by all progressive American industry, that any manufactured product will be a finer product if it comes from an environment of dignity and beauty. The growing charm of Kohler Village further expresses that belief; and the result, we feel, is seen in the worth of Kohler products—enameled plumbing ware and private electric plants.

KOHLER CO., Founded 1873, KOHLER, WIS. Shipping Point, Sheboygan, Wis. Branches in Principal Cities

# KOHLEROFKOHLER

Enameled Plumbing Ware



# Master Craftsmen in Steel

When a Van Dorn representative asks you for your business on steel filing cabinets, safes, shelving, storage cupboards, lockers and furniture, please remember this-

The Van Dorn organization is geared up to make anything in steel plate from the tiniest to the greatest, from label holders to locomotive parts.

Specialists in each class of work make unusual quality certain, while the fact that engineers of varied experience are in close daily contact means that knowledge gained in one kind of work is available to all others.

This is not merely a selling point—it's a buying point which will be profitable for you to keep in mind!

The Van Dorn Iron Works Co., Cleveland, Ohio Branches: Cleveland New York Chicago Washington Pittsburgh



the superintendent and an employment agency-Yes, this book is as interesting as a detective story, and contains a great deal more information.-H. S.

Principles of Investment, by A. M. Sakol-ski. The Ronald Press Company, New York.

The present volume is a worthy successor to Dr. Sakolski's former work on the "Elements of Bond Investment." It covers a much wider field, the introductory chapters being a general survey of the whole field of investment. While this pecessarily follows in general outline the well-beaten paths of similar treatises on the fundamental principles and theories of investing, it is stated in characteristically fresh fashion and includes not a little new material. Attention is given in the first section to investment machinery also.

The second, third and fourth sections of the book are given over to a discussion of commer-cial and real-estate loans, civil loans and corporation securities respectively. It is in its analysis of the various types of securities, their characteristics and peculiarities, that Dr. Sakolski's best work is done. Here, although the usual arrangement is followed, discussion is far from backneyed, and considerable useful material not found in other books on this subject is made available. It should prove valuable either as a textbook on the subject of investments or as collateral reading for the individual with security holdings to understand and protect.

The appendix contains an interesting set of problems and questions for use in a case system

method of instruction.

International Trade Finance, by George W. Edwards. Henry Holt and Company, New York.

The professor of banking at New York University has added another volume to the clear-cut contributions that he has made in the past few years to the American literature of banking, particularly on the international side. He takes up the organization of international banking in some detail and describes the channels open to mercantile concerns in financing their interna-tional transactions. He tells how a deal may be financed by the exporter, and how it may be financed by the importer in a foreign country, and explains just what part the bank, the acceptance house or the discount company may play in the deal. Good graphic illustrations of the international balance of payments help to clarify that confusing subject, and other good graphic illustrations show the methods by which a mercantile debt may be settled.

Dr. Edwards says that American banking is not truly international in character. out that our foreign financing machinery developed late-only in 1914 was our banking internationalized-and points to decentralization, fondness for short maturities, and the lack of trained native personnel as among the important handicaps we have had to face. There is an interesting discussion of foreign branch banking, from which it appears that the Germans took heavy losses on their foreign branches in the quarter of a century before the war. The quarter of a century before the war. United States has shown originality in developing foreign credit information exchange and foreign credit insurance.

A History of Agriculture, by Norman Scott Brien Gras. F. S. Crofts & Co., New York, 1925.

A history of agricultural economics rather than of agricultural methods. Professor Gras's views of government subsidy to farmers are interesting. Pointing out the fallscies of the McNary-

Haugen bill, he adds:

We would hardly be justified in dwelling to at length upon this scheme were it not for the fact that it very clearly calls attention to the new policy of demanding for agriculture similar treatment to that meted out to manufacture. Agricultural producers, being at last fairly well organized, are insisting upon equal favors. Now this might not have much chance of receiving

serious attention in the country at large, were it not for the rather wide feeling that the balance between agriculture and manufacture should be maintained. According to this view, agriculture is going behind relatively—certainly this is true of the number of farmers—and therefore the nation is in danger of being weakened. . . . From protection for infant industries we have come to sistance for senescent agriculture. Whether all this is just an after-war ripple on the surface of things, or actually the beginning of the pres-sure of population on subsistence, is not yet clear. At a time of overproduction or great plenty, it would be hard to persuade a farmer that there is any shortage of raw materials on foodstuffs. But beneath the surfeiting plenty of America may be concealed a growing shortage, now a reality for Europe, ultimately for Amer-

Port Development, by Roy S. MacElwee. McGraw-Hill Book Company, Inc., New York, 1925.

This new book by Dr. MacElwee represents an elaboration of general questions having to do with port development; which were touched upon in a less exhaustive manner in his previous work, "Ports and Terminal Facilities." author promises shortly a new edition of the earlier work, to be devoted specifically to discussion of terminal facilities themselves and

terminal operation. The book under review takes up questions other than the mere physical terminal facilities. It touches broadly on the value of port development to the nation, the state, and the port city. Then follows a comparison of the features of the principal leading ports of the relatives of the principal leading ports of the world. The traffic advantages entering into port competition constitute perhaps the most interesting section of this volume. Such important factors as balanced cargoes, tonnage market, grain exports, rail and water rates, switching, lightering, and carting, insofar as they have an influence upon port competition, are treated in considerable detail. The book closes with a discussion of the free port as a valuable adjunct to the development of ports.

The volume is replete with illustrations, graphs, and statistics, making it particularly valuable to the port authorities interested in comparison of the advantages of their port with competing ports. The author's experience as Commissioner of Port Development at Charleston, S. C. and his study of the Port of Hamburg in 1914, have made it possible for him to bring into relief many facts about these ports as a measuring staff of the success or failure of other ports throughout the world.

The author has rightly called attention to the futility of expecting a port to develop merely because certain steamship lines may decide to allocate ships to that particular port. Much unsuccessful effort to develop ports in the past might have been saved h d as carefully prepared a volume as the present been available to the

rounne as the present neen available to the promoters of such port development.

The author's own forecast as to the future is summed up in the following paragraph:

"Comparing Europe as a whole, with the United States as a whole, the development of outports in the United States has only begun, and long before the consulation of the United and long before the population of the United States reaches that of present-day Europe the population and commerce of this country will demand the efficient services of all these outports as a necessity. It is undoubtedly the highest time that every effort be made to encourage this development in order that we may not be caught again in the condition of unpreparedness in which we found ourselves in 1917."

Practical Business English, by W. L. Mason, G. P. Putnam's Sons, New York, 1925.

conveniently arranged and understandable textbook for budding stenographers, secretaries and office workers. The author taught commer-cial correspondence in the evening high schools of New York, and is now on the faculty of the high school of Santa Monica, Calif.

# What of the Facial Whatnot?



Many men have been good or great or both, in spite of whiskers that were as needless as four-wheel brakes on a wheelbarrow.

It is well, therefore, to approach the old plush album in a spirit of reverence. Behind Uncle Zachariah's bewildering begonias there may have been genial impulses that never got the publicity they deserved. Imagine how your own radiance would be dimmed if a tangled mass of whiskers made you look like a partial eclipse.

Fortunately there is no longer any reason why a man should permit a basketful of furniture stuffing to make him seem what he is not.

Colgate's Rapid-Shave Cream has made shaving so easy, and has taken discomfort out of it so thoroughly, that whiskers have ceased to crowd into society, and few of them continue to accumulate icicles.

# COLCATE'S for better shaving

It emulsifies the oily coating upon each hair of the beard, permitting moisture to penetrate and soften it at the base, where the razor's work is done.

You will realize as soon as you try it that Colgate's gives a better shave. It leaves the face soothed and velvety.

A clean shave daily has become a business as well as a social requirement.



# **Engineers Built** This Book for You. A Reliable Ready Reference

The Book Is Free

( For the information of Factory Executives, Engineers, Managers and Superintendents, Skinner Bros Mfg. Co., Inc., has issued a new catalog concerning better Heating and Air Conditioning of Plants, Mills, Factories and Shops of every size and type.

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# Aux Ecoutes de la Chambre

Or in Other Words, "Listening In on the French Chamber of Deputies"

"For say a foolish thing but oft enough (And here's the secret of a hundred creeds, Men get opinions as boys learn to spell, By reiteration, chiefly), the same thing Shall pass at last for absolutely wise, And not with fools exclusively. And so We say the French are light . . .

M. CAMILLE BLAISOT: Mr. President of the Council, you have around you a great number of collaborators . . . I have stated elsewhere,

Acting in Politics as in Love moreover, . . . that among them are some who have not always been loved much. I see M. Briand make

though this, in his opinion, is not of much

importance.

M. ARISTIDE BRIAND (Minister of Foreign Affairs): Unless one should act in politics as in

love. Then there would be no opposition.

M. CAMILLE BLAISOT: Mr. President, M. Briand has told us here, I would remind him in all good humor, for his amusement, that he is an old umbrella, on which there has been much rain.

Then I am sure that the words spoken from the other side of this Chamber by M. Painlevé himself must have slipped off that umbrella.

This must undoubtedly have occurred when, for example, M. Painleve once told you: "You do not take into account that as long as you remain in power there will be something rotten in the nation."

M. BRIAND: If that had been true, the coun-

entirely seriously.

M. BRIAND: . . . since I have been in power many times.

"Set your arators to blow upon them Through watchword phrases, jest or sentiment

Which drive our burley, brutal English mabz

Like so much chaff, whichever way they blow

This light French people will not thus be driven."

M. Capic: You have read a letter from a man. Will you now read a woman's letter?

M. Mauron. If I should read all the letters from women which I have received since they

learned that I am an adversary of woman suffrage!

M. CHARLES FRANCOIS: It is the privilege of youth!

M. MAUPOIL: I have satisfactorily proved that only one letter in five demands the right for women to vote. Here is the tenor of one

"Besides, we have better things to do than to vote. The demands of the household, of the children, of coquetry, and the show-windows of the big stores solicit our attention.

"We should not have time to form an opinion and many among us would be contented thus to vote according to their instinct for the bestlooking man.

M. BAROUX: Then you have nothing to fear.

"They turn indeed . . . but then they turn upon.

Some central pivot of their thought and choice,

And veer out by the force of holding

M. JOHN LASHERT: The inconvenience which results from the fixing of the municipal elections at a date close to that of the session of

the general councils should be obvious these fifteen days or three weeks

MINISTER OF THE INTERIOR: History will prove to you that it is always at the last minute that they take up a vote on bills of that nature.

M. Join Lamier: Will you not be a partisan of progress, Mr. Minister?

Minister of the Interior: Yes; but slowly

"Sublime, to dream so; natural, to wake: And sad, to use such lofty scaffoldings, Erected for the building of a church, To build instead a brothel or a prison."

M. EMILE BOREL: I do not wish to grieve the Minister of the Interior, but I believe it is a tradition with all Ministers of the Interior to consider that the wishes of the general councils are not political when they are favorable to the politics of the Government, and that they are political in the contrary case.

MINISTER OF THE INTERIOR: It is not a bad

definition.

M. ALEXANDRE VARENNE: All governments have had this opinion.

M. EMILE BOREL: I do not doubt but that on this point you will follow in the footprints of your predecessors.

MINISTER OF THE INTERIOR: I have respect for the tradition.

"This poet of the nations, who dreams on And wails on (while the household goes to wreck) Forever, after some ideal good . .

M. MARCEL CACHIN: Spain has sent M. MARCEI CACHIN: . . . Spain has sent 100,000 and we 100,000 men. How these two nations, setting out with 200,000 men to make

war on a country which does not belong to them, Seven in a country which beor Eight Years of Talk how they today can speak of peace.

M. Georges Wellz: Show a little decency. M. Cachin.

M. Cacum: As a matter of fact, permit me to tell you in all frankness, that seven or eight years of serious talk, before all the peoples of the world, during and after the war, has been taken seriously by them. How many times have we heard such talk in this Chamber! I recall that right here, after the war, President Wilson came to discuss the fourteen points, enunciating the formula to which there was thus given enormous publicity. "We have interested in the mous publicity: "We have intervened in the war in order to assure to all peoples the right of self-determination." Believe me, people have taken these statements seriously.

M. FERDINAND MORIN: You treated Wilson

like a scoundrel at that time.

M. CACHIN: Even if I have been a thousand times wrong, I say today that this must be considered.

M. Andrieu Pressmane: And when M. Briand requested response from the floor, you were opposed.

M. Baranaur: You have yourself made too many mistakes to be able to give these lessons

M. CACHIN: My past is no blacker than ours. I have always been a faithful and obedient servant of my party and the working

M. FERDINAND MORIN: Even though you went to see Mussolini against the wishes of your

M. CACHIN: All over the face of the earth they have taken this talk seriously.

THE PRESIDENT: Gentlemen, M. Cachin has told you that he is suffering.

M. CACHIN: Oh, I do not wish to plead the state of my health. state of my health-

THE PRESIDENT: No more is necessary to make



THE LYMETCO LINE OF STEEL CABINETS AND TABLES



# Storage in Steel

ONVENIENT storage facilities under the protection of steel walls and positive locks is the idea underlying The Lymetco Line.

That idea has been worked out in designs that please the eye and that are finished in a manner that fits them for even the finest surroundings.

Long years of manufacturing storage equipment in steel-we are makers of Lyon Steel Shelving and Lyon Steel Lockers-taught us how to produce quality for reasonable cost to you.

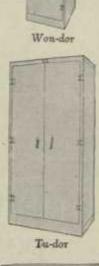
Look over The Lymetco Line. For each item, you can see uses as important as the one illustrated by Counter-hi, where valuable records or merchandise are accessible only to trusted employes.

The Lymetco Line-strong, rigid, lastingis enameled in Lymetco green but, at slight increase, you may have oak, walnut, mahogany or ivory gray.

Stationers, office equipment, furniture and department stores sell The Lymetco Line. Write for the name of a dealer near you and for complete description of The Lymetco Line.

LYON METALLIC MFG. COMPANY AURORA, ILLINOIS







Counter-hi





the Chamber willing to accord to him the

silence to which he is entitled.

M. CACHIN: Besides, gentlemen, I do not attack any definite person. I set forth my

M. FERDINAND MORIN: Which ones?
M. CHAULY: Those of yesterday, or those of today?

"And trade is art, and art's philosophy In Paris. There's a silk, for instance,

As worth an artist's study for the folds, As that bronze opposite?

M. BARTHE: The transport of a load of seven tons from Narbonne to Paris, that is to say, a little more than 800 kilometers by railway, cost,

Alliance Between Wine and Cider

before the war, 201 fr. 90; today, the price for the same trip is 1,014 fr. 15 M. CLAUDE

Five times as much! M. PIERRE RAMEEL: This is what made the rise in the cost of living.
M. ERNEST FLANDIN: And for the ci-

M. BARTHE: Monsieur Flandin, I know that the president of the cider group has always been, on this question, in agreement with the president of the wine group. M. Henri Lanier. It is the holy alliance

between wine and cider.

M. ERNEST LAFONT: Affecting union! Touching accord!

"Here the air is thronged With fine statues poised upon their columns As if to stand a moment were a feat Against that blue! What squares—who What squares-what breathing-room

For a nation that runs fast,"

M. Cazais: After having read Voltaire, who himself believed in God and who wrote an admirable prayer-

M. HENRI AURIOL: Read it!

M. Lemez: Everybody knows it: "My God, defend me from my friends. As for my enemies, I will take charge of them myself."

"And if at last the right Her great soul up into a great man's

What then?-this Caesar represents, not reigns. And is no despot, though twice absolute: This Head has all the people for a heart."

M. ANDRÉ FRANCOIS-PONCET: The Minister of the Interior maintains that the number of members of the Municipal Council of Paris can not be increased because of the inconvenience attendant upon large assemblies. The Minister attendant upon large assemblies. of the Interior has charming self-control when without laughing he sets forth the inconveniences of large assemblies in the presence of these empty seats.

MINISTER OF THE INTERIOR: When there are only 80, they are obliged to come. In the meetings of the Municipal Council all the members are present.

M. DUVAL-ARNOULD: You may be sure that were there 96 councillors it would be the same thing.

MICHEL MISSOFFE: Besides, at the city hall, there is a register for those present,

M. André Francois-Poncer: It is not be-cause there would be 96 councillors instead of 80 that the room would be filled to bursting; that the council could not deliberate; that it necessarily would be dedicated to a chronic and infernal hubbub.

You have, Mr. Minister, a curious notion of the Municipal Council of Paris!

I do not know much, not having had the

honor of sitting in their assembly— M. Duval-Arnold: I regret it.

ANDRE FRANCOIS-PONCET:-but I should

Steel Tables

# FROM NEW YORK TO CHICAGO in minutes



York furniture company had as customer a large Chicago department store. Having just received some goods he was sure would interest this store, he placed a long distance call for the merchandise manager. Within five minutes he had his man. Adding up his sales when

the call was finished, he found they totaled fifty thousand dollars!

It is not by accident that the use of Long Distance by salesmen and sales managers is increasing so rapidly. A long distance call often saves the time and expense of a long trip. It does not have to wait in the reception room. If the man wanted has left town, it can follow him. It is evidence of importance and the desire to serve. Prices and terms can be discussed as in a personal interview. The goods can be shipped with a substantial saving of time.

Are you and your concern getting more orders and speeding up business by the use of the long distance telephone? Do you use it in buying, in collections, in making large sales to customers and prospects in distant cities? The failure to use Long Distance daily results inevitably in a loss to efficiency and profits.

The Commercial Department of the local Bell company will gladly, upon call, examine your business and suggest new ways in which Long Distance can serve you. But in the meantime, what man or concern in a distant city should you call now? The telephone will connect you just as it does with the person or firm wanted in your own town. . . . Number, please?

# BELL LONG DISTANCE SERVICE



# OAKLAND, CALIFORNIA Proves Its Superiority

Nationally-known concerns-established in the Oakland industrial areahave proved that this city is superior to any other Pacific Coast city as a distributing center for the Western market. Whether the individual package weighs an ounce or a ton; whether mail, express, rail, or water freight carriers are used -Oakland is the city. The following are typical of what those located here have to say:



MONTGOMERY WARD & COMPANY

Victor Talking Machine Co.

# Montgomery Ward & Co.

The president of this big mail order house "We located our plant in Oakland because we found we could insure delivery quicker than from any other location.

### Sherwin-Williams Company

In "covering the earth" this company reccommends that: "Any industry locating a factory on the Pacific Coast should locate in the Oakland industrial area. It is the center of population for shipping everything.



SHERWIN-WILLIAMS COMPANY

and south, as well as locally, giving the quick

service which our trade demands. That an-

swers the question if we find it advantageous

to distribute from Oakland.

The fastest possible delivery of new records to the greatest number of dealers is essential. This company states: "With five gateways and the shortest routes to the Orient, we find Oakland ideally situated for our purpose. Not only is it the most centrally located, but cli-matic conditions are very favorable from a manufacturing standpoint."

# Hubbard & Company

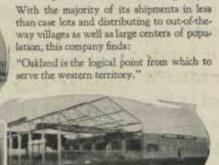
In distributing pole line hardware with an average package weight of 150 pounds and 74 per cent of its shipments by water, this company serves:

Los Angeles in 24 hours; Scattle in 48 hours. We are shipping heavily to the north

> VICTOR TALKING MACHINE CO. The J. R Watkins Company



THE J. R. WATERS CO.



HUBBARD & COMPANY

Oakland has a tremendous industrial future, but it likewise has a very real industrial present. Any manufacturer planning on intensively cultivating the western and Oriental markets will find plenty of proof that Oakland is the city for a western plant.

A detailed industrial survey has just been completed, a copy of which will be mailed you on request.

Write Industrial Department

# CHAMBER OF COMMERCE

Oakland, California

like to know, from those who compose the Municipal Council of Paris, if it is true that they are so undisciplined, so violent, so tumultuous that it would seem to be colossally imprudent to make an addition of 16 new colleagues to their number!

MINISTER OF THE INTERIOR: Everybody knows that there is never the slightest altercation at the Municipal Council.

M. MICHEL MISSOFFE: There is no assem-

M. MICHEL MISSOFFE: There is no assembly so easy to preside over as the Municipal Council and there is none where more useful work is done, or work to better advantage.

M. DUVAL-ARNOULD: You should know, in any case, that they have been able to get on through the long years of the Municipal Council of Paris without the help of any rule.

M. MICHEL MISSOFFE: And the vote by proxy is not admitted, which is useful for legislators to know.

M. HEXRI PATE: We note the mutual homage which the municipal councillors render to each other.

M. André Francois-Poncer: You hear, gentlemen, the spontaneous testimony of the mu-nicipal councillors! They assure us that the Municipal Council of Paris, composed of 80 members—and we do not doubt their word—is an assembly full of courtesy, of calm, of dig-

M. MICHEL MISSOFFE: A model assembly THE PRESIDENT: The deputies will be invited to attend the meetings of the Council.

M. DUVAL-ARNOULD: That will be very use-

d. It is an excellent idea.

M. Michel Missorre: They would learn much there.

M. Annué Francois-Poncer: The Chamber has \$80 deputies; when \$75 deputies are in their seats, it is a very full room, and they are never all present.

THE PRESIDENT: Happily!

M. ANDRÉ PRANCOIS-PONCET: The President says, "Happily." It is true that with 375 members present, he needs all the authority, all the force of a presidential paper cutter to tame the 375 Honst

"Some wealth that leaves none poor and finds none tired, Some freedom of the many that respects. The wisdom of the few."

M. EMILE BOREL: It is a very strong argument for men that woman suffrage is favorable to the cause of peace, because we know from a

Knowing Latin Without Loving it

classic proverb—I will not quote in Latin be-cause M. Léon Bérard is not there—that from

Loving it antiquity war has been detested by mothers—
M. Violle: Some of the rest of us understand Latin.

M. DUCLAUX-MONTEIL: There are others be-

sides M. Bérard who know Latin!

M. Estille Boskit: I do not claim that they do not understand it, but perhaps they do not experience so particular a pleasure in the hear-

ing of it.

M. Violie: You seem to indicate that only M. Bérard has studied the classics.

MINISTER OF THE INTERIOR: It is not necessary to take this previate commotion seriously,
M. EMILE BORL: I do not take it seriously.

They may know Latin without having for it the intense love which M. Léon Bérard feels.

M. Vinlle: It helps one in talking French. Mixistes of the Interior: Take M. Bérard as a symbol, and do not cite him as an excep-

"So, I mused Up and down, the terraced streets.

The glittering boulevards, the white colonnudes

Of fair fantastic Paris who wears trees Like plumes, as if man made them; spire

At if they had grown by nature."

# PEOPLE WHO PAY INCOME TAXES

The people who earn enough money to file individual income tax returns are the people who can afford to buy good furniture—automobiles—electric appliances—radio

sets—heating systems—and every other product that is offered for sale.

Men and women in this fortunate position are numerous in San Francisco, which is outranked by only two cities in the United States in the percentage of citizens who file income tax returns.

A large proportion of these prosperous families are readers of The San Francisco

Chronicle. It is The Chronicle that goes regularly into the homes of representative citizens and influences their buying habits. It is this newspaper that is read by people who have the *means* as well as the desire to buy.



Advertisers find in this long-established San Francisco newspaper the key to one of the richest and most responsive markets in the world.

> San Fnancisco Chnonicle

# Sentenced To Death!

If you were sentenced to death tomorrow, all your money, all your resources would be thrown into the fight to gain you a reprieve.

Many a man carries a death sentence hidden in his system, unknown to himself. It is the death sentence of some disease which is, unsuspected, gaining a grip on his system.

A little money and less trouble can gain a reprieve from such a sentence.

Health protection, in the form of our analysis service, keeps a watchful eye over the state of your health, notifies you when disease begins its insidious onslaught, and thus enables you to use those preventive measures which are better than cure.

It will pay you to write TO-DAY for our book, "The Span of Life."

# National Bureau of Analysis

F. G. Soule, President and Founder Dept. N.B. 165 Republic Bldg. Chicago

National Bureau of Analysis, Dept. N.B. 16 Republic Bldg. Chicago	
Gentlemen: Please send me at once, free of charge, your health protection treatise, "The Span of Life."	
Name	
Address	

# Recent Federal Trade Cases

Shoe company's acquisition of a competitor's stock violated Clayton Act is the position of a majority of the Commission, but Commissioners Humphrey and Hunt believe the transaction was to the benefit of the public—Prohibitory order directed to wholesale grocers' association cites practices regarded unfair by the Commission

ELIMINATING competition by acquiring the stock or share capital of a competitor is condemned by the Commission in an order which directs a St. Louis shoe company to divest itself of all stock or share capital of a company formerly of Boston. The Commission found, it says, that the company by the acquisition of its competitor's stock had violated Section 7 of the

Clayton Act.

Dissenting from the issuance of the order, Commissioner Humphrey held that the evidence in this case showed that at the time of the alleged transfer of stock, the competing company "was in a failing financial condition, or at least its officers believed that it was, and they believed that its bankruptcy was probable." His opinion records his belief that "in this case the Commission has given warning to the business world that no one must answer the cry of distress. If they do and save a vessel from complete wreck, no matter what the effect may be upon the public, they will be condemned and must suffer the penalty." Commissioner Hunt concurred in the opinion of Commissioner Humphrey.

Through acquisition of the stock of the competing company, the St. Louis company, the find-

ings state, gained control of the largest manu-facturer of street-and-dress welt shoes for men and boys, and eliminated from the fie'd of competition its largest competitor in the sale of men's dress shoes. The St. Louis company also ob-tained immediate entrance into the sales territory of the New England states, the findings assert, the general effect being to lessen competition between the two companies in the sale of dress shoes for men; and to restrain commerce in the shoe business in various sections of the United States

in which the two companies operate

A detailed history of the consolidation of the two companies is included in the findings, which give dates when meetings were held by representatives of the two companies and agreements entered into for the transfer of the stock of the competing company to the St. Louis company. The findings also contain extracts from the St The findings also contain extracts from the St. Louis company's answer to the Commission's complaint. These extracts are to the effect that the St. Louis company took steps to remedy any technical violations of law—that is, it divested itself of "any and all stock or share capital" of the competing company; and that it does not now own or control any stock or share capital of the competing company.

### Artifice Claimed

Referring to those statements, the findings assert that the St. Louis company did not take the necessary steps to remedy the alleged violation of Section 7 of the Clayton Act, and that it has not remedied the alleged violations. The transfer to the St. Louis company of the assets, properties, rights and privileges of the competing company, the findings continue, was an artifice and sub-terfuge to evade the Clayton Act, and to escape its penalties. The competing company has not been dissolved and is still in existence as a corporation, the findings charge.

The Commission's order requires that the St. Louis company

divest itself of all stock or share capital of the competing company, a corporation, which it may now hold or own, directly or indirectly together with all right, title, interest and claim in and to such stock or share capital, substantially all the stock or share capital of the competing company being found and declared to have been acquired and to have been held, owned and used by the St. Louis company in violation of Section 7 of the Clayton Act.

Cease and desist from the ownership, operation, management and control of the assets, properties, rights, and privileges acquired by it from the competing company subsequent to the acquisition by it of the stock or share capital of the competing company, together with all improvements and additions, which assets, properties, rights and privileges are found and declared to have been acquired and to be now held by the St. Louis company of the stock or share capital of the competing company in violation of Section 7 of the Clayton Act. Divest itself of all assets, properties, rights and privileges acquired by it from the compet-

ing company subsequent to the acquisition by it of the stock or share capital of the competing company, together with all improvements and additions, which assets, properties, rights and privileges are found and declared to have been acquired and to be now held by the St. Louis company as the result of the acquisition by the St. Louis company of the stock or share capital of the competing company.

Submit within sixty days of the date of this order for the consideration and approval of the Federal Trade Commission a plan for the performance of this order in a manner which shall restore in harmony with the law the competitive conditions which existed with respect to the St. Louis company, and such assets, properties, rights, and privileges prior to the acquisition by the St. Louis company of the stock or share capital of the competing company.

### What Evidence Showed

Commissioner Humphrey in his dissenting opinion asserts that the evidence in this case shows that

the St. Louis company acquired the stock of the competing company.

The St. Louis company and the competing company, at the time, were in competition. Whether such competition was material is a matter of opinion.

The competing company initiated the trans-

At the time of the transaction the competing company was in a failing financial condi-tion, or at least its officers believed that it was, and they believed that its bankruptcy was probable.

The St. Louis company at the time had taken more orders than it was able to fill, at its then capacity, and was considerably troubled with these excess orders, and was very desirous for this reason, of increasing production.

It used the organization and assets acquired from the competing company in increasing its output largely for the purpose of filling these excess orders.

The St. Louis company did not increase prices; on the contrary, in some instances, it voluntarily decreased prices.

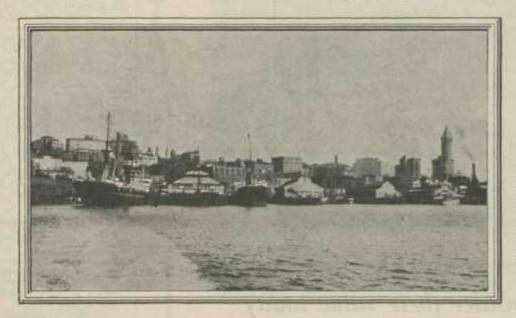
It made better shoes, and sold them for the same or less money than the competing company was selling the same class of shoes at the time the St. Louis company acquired the

The St. Louis company did not use the stock so acquired by voting or otherwise to bring about, or attempting to bring about the substantial lessening of competition.

The public was in no degree, in any way, injured by the transaction. On the contrary, the evidence shows that the public was benefited thereby.

Considering the questions of law involved, Commissioner Humphrey held that "admitting, but not asserting, that there was substantial competition between the St. Louis company and its competitor at the time of the transaction complained of, it was probable that the competi-

# PACIFIC NORTHWEST



From two to ten days nearer the Orient, the great, modern ports of Washington and Oregon occupy a strategic position in our fast growing trade with the Far East

# Pacific Coast leadership centers HERE

On our Pacific Coast the ports of the Pacific Northwest lead in foreign trade by a substantial margin, according to figures of the Department of Commerce.

This is shown by the total value of imports and exports and also by the total net tonnage of vessels entered and cleared, as reported by that Department.

This leadership of the Pacific Northwest has been built upon certain definite, natural trade advantages:

The ports of Washington and Oregon are nearer by several days' sailing to the Orient. That is why eighty per cent of the trans-Pacific mail is handled through the Seattle post office. That is why seventy per cent or more of the raw silk now enters the United States through the Pacific Northwest.

Savings in time, interest and insurance charges, so strikingly shown in the case of raw silk, are also effected in other commodities.

Shippers recognize the Pacific Northwest as the fast and economical route for shipment to the Orient.

Pacific Northwest ports are also nearer by rail to the Atlantic seaboard. They are the doorway to Alaska. And they are endowed with harbor facilities that are unsurpassed.

Time can only emphasize these advantages. Nature and "the immutable law of the short haul" have established the dominance of the Pacific Northwest ports in the great and growing commerce of the Pacific Seas—today and in the future.

The Chicago Burlington & Quincy R.R.

The Great Northern Ry.

The Northern Pacific Ry.



# Both homes cost the same to build Consider their value today

It costs real cash not to paint regularly. Just as surely as the weather varies, property deteriorates when left unprotected from air, rain, sun and snow.

BOTH the homes you see here were built of the same materials. The workmanship in both was of equally high standard. The designs were identical-the costs

Yet the passing years have made quite a change-a change in appearance, a change in dollars and cents. One house is ugly, shabby. Rain, wind, sunshine beat down on it. Steps, window sashes, porch pillars are rotting.

The entire house is in danger.
The second house still looks. like new. It needs no costly repairs. It is worth every cent it originally cost, and more. What makes the difference? From year to year the surface of the second has been saved and kept beautiful by a constantly maintained film of weather-resisting white-lead

### Your best weather insurance

Dutch Boy white-lead is nature's true paint pig-ment. It is made from lead and like the metal possesses extreme durability, toughness and weather-resist-

Mixed with pure linseed oil it makes a paint that neither force nor time's changes can separate from the surface it covers.

The same qualities of toughness, elasticity and hiding power that have made Dutch Boy white-lead the preferred exterior paint, also recommend it for all interior work. When mixed with Dutch Boy flatting oil, it makes a paint that is smooth and silky. With it rare finishes once found only in homes of wealth can now be produced at the cost of ordinary painting work.

# Free booklet tells how

A new booklet," Painting-Protective and Decorative," tells what paint is, what paint does, and why paint protects the surface. It also contains color plates of exteriors and interiors decorated in correct color tones, and many useful suggestions for interior wall effects that can be obtained with paint. Write for this booklet. It will be

# Other Dutch Boy products

Besides Dutch Boy white-lead, the Dutch Boy line includes flatting oil, solder, red-lead, linseed oil and babbitt metals.

National Lead Company also makes lead products for prac-tically every purpose to which lead can be put in art, industry and daily life.



The Dutch Boy Pamor has become he exponent of smuly and protec-tion. He inspires amplione in every



### NATIONAL LEAD COMPANY

New York, 121 Broadway; Bosson, 132 State St.; Buffale, 116 Oak St.; Concago, 500 West 19th Se.; Cincinnati, 540 Freeman Ave.; Cleveland, 820 West Superior Ave.; Sr. Loois, 723 Cheannat St.; San Francisco, 48t California St.; Firsburgh, Nazional Lond & Oli Co. of Pa., 330 Fourth Ave.; Philadelphis, John T. Lewis & Bits. Co., 437 Chasmor St.

tion was going to be destroyed by the failure of the competing company"—a circumstance, which, he believes, "removed the very evil that the statute was intended to prevent," and "this being true, the transaction was not unlawful." On this phase of the case he wrote:

It seems to me that this case comes squarely within the exception of paragraph one of Sec-

tion Seven, of the Clayton Act, as modified by paragraph three of said Section.

Was the public injured by this transaction? Contrary to the majority, I think that this is the vital, and should be the determining, question in this case.

The evidence does not show or tend to show that prices were increased by this transaction. In fact, the evidence tends to show that prices were reduced. The evidence also tends to show that the public was furnished with a better grade of shoes for the same or less money. Because of this transaction, no one has had to pay a cent more for a pair of shoes and no one has been caused to buy a pair of shoes of inferior quality.

### The Respondent's Sin

The extent of the respondent's sinning, in so far as the evidence shows, was that it bought the stock of a competitor at the instance of that competitor, to save such competitor from bankruptcy, and to acquire additional facilities which it badly needed to fill orders that it had already taken.

There is no evidence showing that this stock was bought for other than investment purposes, nor is there evidence showing that such stock has been used in any manner substantially to

lessen competition.

Had the respondent been content to wait, if we are to be guided by the evidence, then in a short time its competitor would have been

In this case, the Commission has given warning to the business world that no one must answer the cry of distress. If they do, and save a vessel from complete wreck, no matter what the effect may be upon the public, they will be condemned and must suffer the penalty. But it will be perfectly proper and commendable to stand by until the vessel sinks, and its competition with them is thereby entirely destroyed, and then pick up whatever flotsam and interest that make the content of the content and jetsam they may, but under no circum-stances must the vessel be saved, however much it may be to the public interest. I think such policy must inevitably injure the public and be immeasurably detrimental to our

### Innocent Would Suffer

I cannot be oblivious to the fact that, by the issuance of this order, many innocent investors will be injured and that no one will be bene-

The position of the majority in this case, if I correctly understand the facts, is that if one corporation acquires all of the stock of another competitive corporation, such acquisition is in violation of the Clayton Act, regardless of the purpose, effect and result of the acquiring of such stock, and that the Commission must issue an order, under such circumstances, against the offending corporation, the Commission having no discretion to do otherwise.

To this opinion I cannot subscribe. It is true that the phrase "in the interest of the public" is not written in the Clayton Act, as it is in the Federal Trade Commission Act, in words, but in my judgment it is there by implication as plainly as if it were written in latters. letters

To issue this order will in all probability cause innocent stockholders to lose several million dollars. It will do no good to anyone. I cannot bring myself to believe that it is the duty of the Commission to issue an order where no good will result and evil must follow

FURTHER definition of the Commission's opposition to the fixing and maintenance of prices is presented in a prohibitory order issued by the Commission to an unincorporated whole-

sale grocers' association of North Dakota. Sixteen concerns are named as members of the asso-The price fixing involved in this case, the findings state, prevented manufacturers from competing with wholesalers affiliated with the association, and tended to create in the association a wholesale-grocery trade monopoly in their

In investigating this case, the Commission found, it reports, that the members and officers of the association were cooperating with each other to fix and maintain wholesale prices; to prevent competitors from selling at less than the prices so fixed; to prevent manufacturers of grocery goods from selling direct to retailers; and to confine the wholesale distribution of grocery goods to self-styled "regular" and "legitimate" channels of trade—that is, from the manufacturer to the wholesaler, from the wholesaler to the retailer and from the retailer to the the retailer, and from the retailer to the consumer.

Products for which the association is alleged to have fixed prices included: Sugar, tobacco, soap,

branded cereals, and macaroni.

The Commission has ordered that the association, its officers, individually and as representa-tives of the members, the successors of the officers and the members of the association, their agents, representatives, and employes discontinue "from conspiring, confederating, or cooperating among themselves or with others, directly or indirectly," in the following practices:

### Practices Ordered Discontinued

By adopting and maintaining or endeavoring to adopt and maintain uniform selling prices on grocery products sold by respondent

By arranging or attending meetings of com-peting jobbers or circulating information among competing jobbers for the purpose of causing them to adopt or adhere to uniform selling prices in their competition with each other.

By agreeing among themselves or with other competing jobbers to maintain manufacturers' list prices as the jobbers' resale prices and to make no indirect concessions therefrom.

By inducing and procuring competing job-bers to adopt and adhere to the manufacturers' list prices as the jobbers' selling prices on various commodities, inducing manufacturers to increase their list prices and discounts to the jobber.

preventing or attempting to prevent competitors who undersell respondent members from securing goods from manufacturers on equal terms with respondent members. . . .

By recommending or procuring the circulation of scurrilous and defamatory attacks on com-petitors who undersell respondent members, among the customers or prospective customers of such competitors.

By circulating among respondent members lavorable comment concerning such manufacturers as refuse to sell certain competitors of respondent members and urging respondent members to give increased support and coopera-

tion to such manufacturers.

By reporting to officers of respondent association the names of manufacturers who have sold direct to retailers for the purpose of enabling the officers to use the power and influence of respondent association to induce such manufacturers to remain completely loyal to respondent jobbers as their exclusive channel of distribution in respondents' territory, and by reporting to respondent members the failure of such efforts with suggestions that the members refuse to handle the goods of such manu-

By concerted withdrawal or by seeking pledges of concerted withdrawal of patronage from manufacturers who sell or attempt to sell jobbers and retailers indiscriminately and concertedly concentrating their sales efforts on the goods of so-called loyal manufacturers

By recommending or procuring the circulation of scurrilous trade papers and/or delamatory attacks on manufacturers selling indiscriminately to jobbers and retailers, among the retail customers or prospective retail customers of such manufacturers.



Dahlstrom Partitions in the Pittsburgh Screw & Bolt Company, Pittsburgh, Pa.

THE rapid growth of a successful business requires frequent changes in the layout of floor space. Hence the value of movable partitions.

Dahlstrom Adjustable Steel Partitions are easily erected, and quickly taken down. Furnished in standard and half-size units, with adjustable"fillers" between each section, they are readily adaptable to almost any arrangement which may be desired.

Any finish applicable to metal may be obtained.

We shall be pleased to furnish you with complete information upon request

METAL DOORS AND TRIM

COMPLETE ELEVATOR INCLOSURES AND CABS

UNI-TRE FRAMES

ADJUSTABLE PARTITIONS

CONDUO-BASE

# DAHLSTROM

DAHLSTROM METALLIC DOOR COMPANY

JAMESTOWN, NEW YORK

CHICAGO - 10 So Labor Store . DETROIT . 1711 Dies Buck Bidg



The General Fi	reproofing Co., N.B.
Please frend	me without obligation a copy of loguarding the Vital Rocards of
Adams	
Street No	State 1

# Government Aids to Business

MEASUREMENTS of piston-ring friction are being made at the Bureau of Standards. This work was authorized by the National Advisory

The Piston Ring Friction of Aircraft Motors but rather to obtain information as to the

Committee for Aeronautics, not with the idea of developing an ideal design

features of design have upon the friction. The information obtained will be of value, it is believed, in predicting the performance of aircraft engines, particularly at high altitudes.

In these experiments, the friction has been determined by manufacturing the control of the

determined by measuring the power required to drive the engine with ignition and fuel shut off. Some of these experiments have been made with the cylinder head removed, so that there would be no measurable amount of power consumed in drawing a charge into the cylinder and com-

pressing and exhausting it.

If measurements are made first with all the rings removed from the piston, the Bureau explains, and then with all the rings in place, but otherwise under exactly the same condi-tions, it would seem that the difference between these two readings would be a fair measure of the friction of the rings. Although there is no reason to believe that such is not the case, Bureau says, the tests disclosed that the friction of a piston ring as determined in this manner is affected by the design of the piston with which the ring is used. To illustrate, with the four-cylinder engine employed in these tests, the addition of the full set of three rings to each piston increased the total friction approximately 5 horsepower under some of the test conditions. Under the same conditions the addition of the same piston rings to another design of piston increased the total friction less than 2 horse-It seems probable, the Bureau says, that the difference noted is owing to a difference in the extent to which the lubricant is distributed to the working surfaces. Whatever may be the explanation, the Bureau says, it is obviously unsafe to assume that the friction of a piston ring will be the same on two pistons of different designs.

ONE OF THE PROBLEMS in the Bureau of Standard's research work on marble is to determine the ultimate effect of various commercial

Marble Tested With Cleaning Preparations

cleaning preparations on the polished marble surface. For this purpose a machine has been built which consists of a broad-faced wheel so con-

structed that sample slabs of marble can be mounted around its circumference. This wheel is geared down to turn once in six hours. At the lowest point of this wheel is a scrubbing drum covered with felt.

This drum turns eight times per minute, and by means of a balance bearing it is weighted against the marble specimens to give the desired scrubbing pressure. The felt dips into a pan of the scrubbing preparation, which it carries up, and scrubs the marble specimens as they pass. The test is carried on continuously until the marble has received as many scrubbings as it would normally get in several years of actual

APPARATUS HAS BEEN DESIGNED and built by the Bureau of Standards for studying the bending fatigue of a rope yarn. Every effort was

An Apparatus Yarn Fatigue

made to keep the test method as simple as pos-sible so that it can be to Show Rope reproduced easily cheaply in the mills, the Bureau explains. In this

apparatus a rope yarn is bent over a cross arm at a definite number of oscillations per minute. To one end of the yarn a weight in attached which slides in a guide, so that the twist of the yarn is retained. An auxiliary instrument which preserves the original twist was constructed for use in transferring the specimen from the rope or coil to the apparatus.

After a study of the variables which affect this apparatus, the following test procedure is recommended by the Bureau: The angle of bending should be that in which the cross arm makes a 90° angle with the vertical when at the highest point of its stroke. The cross arm should be oscillated through 90° at the rate of 110 (plus or minus 5) oscillations per minute. The cross arm should be of I-16th inch steel wire. An auxiliary instrument which will preserve the original twist should be used in transferring the specimen from the rope or coil to the clamps of the apparatus. An average of at least thirty specimers should be used to obtain a result if an error not to exceed 5 per cent is desired.

A Few Years Aco the Bureau of Standards cooperated with the United States Bureau of Engraving and Printing in the development of

Application of Chromium to

an electrolytic process for the reproduction of engraved or intaglio print-Printing Plates used in printing securities. This process, which still in use, produces plates with a nickel

printing surface, which is not as hard as the case-hardened steel, of which now part, and formerly all, of the plates were made

In order to increase the hardness of the nickel surface, the application of chromium plating was suggested. Scratch hardness tests made at the Bureau of Standards have shown that electro-deposited chromium is harder than any steel

A process of chromium plating developed by H. E. Haring, of the Bureau of Standards, has been successfully applied to the nickel-faced plates and to unhardened steel plates at the Bureau of Engraving and Printing, the Bureau of Standards reports. In this process a deposit of Standards reports. of chromium, about 0,0002 inch, is applied to the face of the plate. More than one thousand plates have been so treated, and as none of them has yet worn through on the presses it is not now possible to estimate their average useful life. But it is believed that the chromiumcoated plates will yield several times as many impressions as the nickel plates and at least twice as many as the case-hardened steel. The impressions are said to be even better than from the originals and are uniform. It is estimated that ultimately this application of chromium will accomplish an annual saving to the Government of hundreds of thousands of dollars.

The Bureau of Standards plans to continue this study of chromium deposition in order to determine the fundamental principles and their relation to possible industrial applications of chromium printing.

To DETERMINE the effect of fine grinding of cement on the strength of concrete, the Bureau of Standards about ten years ago began an

The Strength of commercial brands of Concrete and coment, as received direct from the manufacturers coment Fineness and representatives of their marketable product.

Each cement as it was received was thoroughly mixed and divided into two lots. One lot was used as received for making concrete, and the other was ground in a ball mill for one and one-half hours before use.

Concrete cylinders 8 by 16 inches were made from both lots of cement, Potomac River sand and gravel being used as the aggregate. The materials were proportioned either 1: 2: 4 or : 3 : 6 by volume. After remaining in the molds for 24 hours, the specimens were stored in moist air for 28 days. After the 28 days' curing, the specimens were placed out of doors and exposed to Washington weather conditions until broken. Compressive tests were made at the 7-day, 28-day, 6-month, and 1-, 2-, 3-, 5-, and 10-year periods. The extreme variation in fine+

"I don't see how we can do it," said the purchasing agent.

"I don't see why we should do it," said the general sales manager.

But the advertising manager stuck to his guns—and the President sat back quietly. No one knew what he was thinking—yet.

The situation was this: the advertising manager had received a severe criticism of the house's stationery, and he argued that if a disinterested business man felt that way about it customers and prospects must feel the same way.

"We need to dress up our business a little more intelligently," he said earnestly. "I want us to raise the standard of our stationery. Call it sales expense. Charge it to advertising. I don't care which.

"I have in mind the paper we need. It is made of rags, all new white rags; there isn't a fibre of wood pulp in it. It has a fine old name. It has an impressive, masculine appearance. It represents prestige, high position, good taste, self-respect. It does the whole job which letter paper should do."

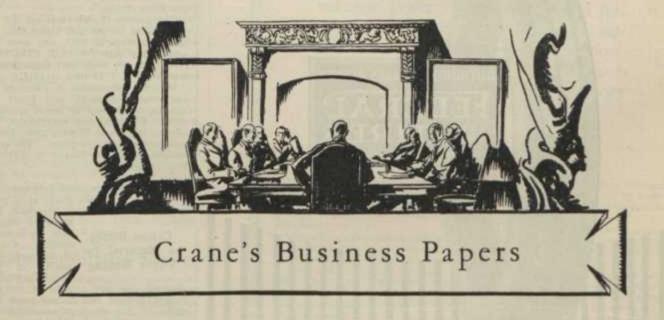
He turned to the President.

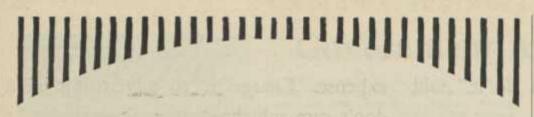
"Do you agree that we need this kind of stationery?"

The President nodded thoughtfully.
"Yes—I suppose we had better not delay going to Crane's Bond."

"Why how did you know I meant 'Crane's'?"

"Didn't you just describe it?"





# Many Shrewd Truck Owners Are Buying This Tire

All truck tires look very much alike when new but in action they are very different. The Federal Double Blue Pennant Truck Cord has a strong, capable appearance but what is back of its looks appeals more strongly to careful tire buyers.

The makers of Federal Double Blue Pennant Truck Cords have been building tires of fine quality for many years. They have developed a tire whose cushioning, traction and wearing qualities are most remarkable. In fact, these qualities have gained the preference Federal Blue Pennant Truck Cords now enjoy with some of the country's largest and shrewdest tire buyers.

> Try a Federal Blue Pennant Truck Cord next time. You will find the Federal Authorized Sales Agent will understand your needs and do his utmost to keep you thoroughly satisfied.



ness in the two lots of any one cement was 20.1 per cent on the standard No. 200 cement sieve.

The Bureau feels that these tests should be of particular interest because they extend over a period of ten years and show the effect of fine grinding on the strength of concrete at definite intervals during the test period. From the results of the tests the Bureau concludes that no retrogression is shown in the compressive strength of the concretes at the end of the tenyear period. In general, the fineness of the cement increased the strength of the concrete. All cements do not give the same increase in strength with the same increase in fineness. effect of fineness of cement on the strength of concrete diminishes with age, the Bureau finds, and the 1 : 2 : 4 mixes show better increases of strength with the same increase in fineness than do the 1 : 3 : 6 mixes.

ONE OF THE MOST IMPORTANT PAPERS issued in its field in several years is Circular 208 of the Bureau of Standards, "United States Govern-ment Master Specifications

Specifications For Wire Rope

New Government for Wire Rope," copies of which are now on sale at the office of the Superin-tendent of Documents, Government Printing Of-

fice, Washington, D. C., at 15 cents each.

The paper includes eight major sections on types, material and workmanship, general retypes, material and workmanship, general requirements and detailed requirements, inspection and tests, packing and marking, additional information and general specifications. Also, there are twenty-eight line drawings and half-tones illustrating types of rope, methods of measuring rope diameter, and the application of clies and other fastenings for wire rope. The clips and other fastenings for wire rope. The properties of the different types of rope are presented in tables which give all the important data in very compact form.

The circular was prepared by the wire-rope committee of the Federal Specifications Board. It was officially promulgated on June 1 for the use of departments and independent establishments of the Government in purchase of wire rope.

EMPLOYES in the men's clothing industry earned an average of 76 cents an hour during the period from 1911 to 1924, says a report

Men's Clothing

issued by the Department of the Interior through the Bureau of Labor Sta-Industry Paying the Bulletin No. 387, is based on information

relating to more than 27,000 wage earners employed in 152 establishments with shops in sixteen cities, and in some small towns in eastern Pennsylvania.

The average hourly earnings for the whole period were 196 per cent higher than the average hourly earnings in 1913, and more than 4 per cent higher than for 1922. The average fulltime hours per week were approximately 15 per

cent lower in 1924 than in 1913.

Detailed information is presented on bourly and weekly earnings, and hours worked in specified occupations by sex of employes and by cities. There is also considerable information relating to changes in wage rates, bonus systems, and payments for overtime. The report is ob-Washington, D. C.

BECAUSE OF NUMEROUS INQUIRES with regard to the use of cotton stalks as a paper-making material, the Bureau of Standards has made a

Cotton Stalks

series of tests to determine the commercial posas Material for of the cost of collection,

Paper Making quality of paper produced, and yield of fiber obtained, the results reported by the Bureau, it says, indicate that making paper from cotton stalka by the usual paper-making methods is not commercially feasible.

The cotton stalks used in this investigation were shredded before shipment in a patent harvesting and shredding machine. Pulping and

paper-making tests were made on both a laboratory and a semi-commercial scale. Preliminary bleaching tests demonstrated the unfitness of the material for bleached papers because of the excessive amount of bleach required and the character of the paper produced, the Bureau reports. The stalks contain material that fails to bleach, and which shows in the finished paper as small brown specks. The subsequent investigation was, therefore, confined to the production of unbleached papers.

The material was found to require severe chemical treatment and relatively long cooking for reduction to pulp. The yield of fiber was fairly good, being 35 to 40 per cent of the weight of the shredded stalks, but the paper produced was deficient in strength and of poor appearance, being suitable only for low-grade

wrapping or board.

Straws of cereal plants yield as much fiber as cotton stalks, the Bureau says, and the paper produced has better strength. The available quantity of these straws is estimated to exceed that of cotton stalks. Some mills are at present using these materials in the production of paper board, and these straws are already being collected for other purposes, while the collecting of cotton stalks means an additional operation. increasing their cost as paper-making material.

COMPARATIVELY LITTLE INVESTIGATION has been made of the adhesion of mortar to brick, says the Bureau of Standards, although it has been

Adhesion of

recognized that the bond between mortar and brick Mortar Bond of is a factor contributing to the strength and per-Sand-lime Brick formance of masonry. On that basis the Bureau be-

gan determination of the effect of various kinds of mortars for use with sand-lime brick.

The total absorption and rate of absorption for 1,100 sand-lime bricks have now been deter-mined, so that they can be arranged in groups of different absorptive capacities. In general, bricks of the highest total absorption, the Bureau says, show the most rapid rate of absorbing

Tests were made with a 1:3 cement mortar, with the percentage of water varied, both in the bricks and in the mortar. When the bricks were used dry, the mortar adhered to the brick first in contact with it. When the bricks were wet, the mortar adhered to the second brick. The results show that the strength of the bond between cement mortar and bricks is greater when bricks are wet rather than dry, and when the mortar itself is quite wet, the Bureau says.

A 34-Page Disectory of trade schools that received federal aid during the fiscal year ended June 30, 1924, has been published by the Federal

A Directory of Federal Aid Trade Schools

Board for Vocational Edu-cation. The directory is classified by trades taught in day unit and part-time courses that offer instruction in trades and indus-

trial occupations, excluding evening trade exten-sion classes. An alphabetical index is provided,

and also an index of trades.

Issued primarily to give information on courses offered in trade schools, the directory may be usefully suggestive to communities contion plans. The directory, issued as Bulletin No. 99, Trade and Industrial Series No. 28, is obtainable from the Superintendent of Documents, Government Printing Office, Washington D. C. at 10 cepts a correction of the Superintendent of the Superintendent of Documents, Government Printing Office, Washington D. C. at 10 cepts a correction of the Superintendent of the Super ton, D. C., at 10 cents a copy,

# The Latest in Airplane Service

EVERY month there is something new in air-plane service. The latest is an air-mail route established by Great Britain from England to Russia, Finland, Lettonia, Esthonia, Lithuania and Memel, according to Automotive Industries.

Mails are taken each morning by air to Berlin, thence by night train to Konigsberg where the morning air-mail carries them on to the points mentioned.



SIX-ROOM HOUSE No. 610 Designed for the Service Dept., American Face Brick Atm.

This is one of the 104 attractive houses in our "Face Brick Bungalow and Small House Plans."

# Quality Always Pays

BECAUSE by paying a little more you get much more. Take the Face Brick house. You pay a little more at the start, but that little comes back to you many times over in savings in repairs and painting, in slow depreciation and high resale value, in lower insurance rates and fuel costs. And all the while you have the satisfaction of living in a beautiful, comfortable home. The facts are all given in an attractive, illustrated booklet, "The Story of Brick." Send for your copy today.

# Booklets You Ought to Have:

"The Story of Brick" is, as one teader says, "a liberal education in home-building." It gives just the infor-mation the prospective builder wants.

"Face Brick Bungalow and Small House Plans" in four booklets, showing respectively 3 to 4-room, 5-room 6-room, and 7 to 8-room houses, in all 104. Unusual and distinctive designs combined with convenient interiors. Any one booklet, 25 cents. The entire set, one dollar.

"The Home of Beauty" shows fifty

two-story six-room houses selected from 350 designs submitted by architects in a nation-wide competition. Sent for 50 cents.

"The Home Fires," a most attractive fireplace book, with many designs, gives full directions for fireplace construction. Sent for 25 cents.

"A New House for the Old" will tell you all about restoring an old house with a beautiful, permanent overcoat of Face Brick. Sent free.

Address American Face Brick Ass'n, 1730 Peoples Life Bldg., Chicago, Ill.

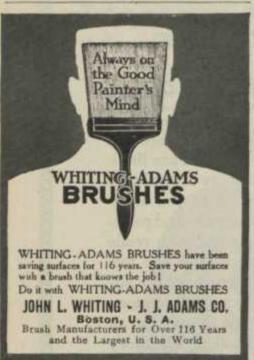


Investigate now this seasoned investment field while 8% is prevailing, legal interest rate. Our \$100 to \$1,000 First Mortgage Bonds are secured by incomepaying business property authoritatively appraised at double the amount of the mortgage loan. Interest coupons pay-

able semi-annually. Bonds underwritten and protected by Filer-Cleveland safeguards. References: All Miami Banks, Write for illustrated, descriptive book, "87% and Safety."

# THE FILER-CLEVELAND COMPANY

2710 BEDFORD BLDG., MIAMI, FLA.



# "Business Profits and Human Nature"

"The Fun of Knowing Folks"

TWO BOOKS by Fred C. Kelly, who writes the "Human Nature in Business" column in Nation's Business. The books are written in his own informative and captivating styleof which you may read a sample if you turn to his department in this issue. Either book will be sent you postage paid on receipt of \$1.

# NATION'S BUSINESS Washington

# News of Organized Business

THE EFFECT of agricultural depression on the enrollment of students in agricultural courses at educational institutions is traced by the Agricultural Bureau of the United States Chamber of Commerce in a survey which shows that the number of students enrolled in agricultural courses in the forty-eight land-grant colleges has declined 3 per cent in the last ten years, although the total number of students in the same schools has more than doubled in a decade. The Bureau explains that-

The decrease in agricultural-college enrollments in recent years apparently has re-flected the economic depression which agriculture has experienced. Similarly, the marked increase in agricultural-college enrollments during the ten years preceding our entry into the world war apparently reflected in part the increasing prosperity of agriculture during that period.

Post-war declines in agricultural enrollments have been accentuated, according to the deans of agricultural colleges, by the graduation of United States Veterans Bureau trainees and by the development of agricultural extension work and agricultural education in high schools.

Agricultural colleges in the Middle Atlantic and East North Central states have suffered the greatest losses in enrollments. Agricultural enrollments in the New England, West North Central and Pacific Coast states have decreased slightly. In the Mountain and Southern states enrollments have increased considerably during the past ten years, but the increases have not kept pace with the increases in the total land-grant college enrollments.

In proportion to the agricultural resourcesfarm property and value of farms, value of farm property and value of farm productsof their respective states, the New England agricultural colleges have the greatest number The Southern states have the of students. fewest. However, a larger proportion of the agricultural students in New England agricultural colleges are from the cities than is the case in other sections.

Enrollments of short courses in agricultural



colleges have decreased 14 per cent during the past ten years. Although the agricultural college heads are of the opinion that extension work and high-school agricultural courses are taking the place of short courses in some degree, they cite the decrease in shortcourse enrollments as a further reflection of the agricultural trend.

### Cincinnati's Fall Fashion Week

DISPLAYS for a fall fashion pageant and market week were organized by the wholesalers and manufacturers of Cincinnati for presentation at the Cincinnati zoological gardens. Fall and winter styles in millinery, dresses, coats, lingerie, hosiery, aboes and other women's wear, men's wear of all kinds, infants' outfits, and jewelry were displayed for the information of retailers in the Cincinnati trade area, and also to stimulate an active public interest in the new fashions, designings, materials and colors. Living models appeared in a presentation of the new fashions and a spectacular number, "Models and Models of 1925 in the Evolution of Fashion," directed by George B. Flint, former director of the Chicago Pageant of Progress, depicted the history of women's attire, from the days of Mother Eve to the time of the Cross-Word-Puzzle Girl. Some of the gowns were copied from originals now in the museums of London, Paris and New York-among them a historic

gown worn by Queen Elizabeth. The act was so evolved that the climax was reached in the the presentation of the new styles.

In order to attract retail merchants to come to Cincinnati for the fall fashion pageant, and to make it the occasion for replenishing their stocks from the new merchandise displayed, special prices were made by the wholesalers and manufacturers who participated in the event, and the railroad fare of visiting merchants was refunded through an arrangement made by the Merchants and Manufacturers Association. details of this arrangement are obtainable by writing to Howard S. Greene, secretary-manager,



Wholesale Trade Department, Cincinnati Chamber of Commerce.

The invitation sent to retailers was signed by the Chamber of Commerce, the Merchants and Manufacturers Association, the Rotary Club, the Civitan Club, the Optimist Club, the Electric Club, the Lions Club, the Gyro Club, and the Kiwanis Club.

The Chamber of Commerce was host at a banquet for the visiting merchants; and the wholesalers and manufacturers chartered a steamer to entertain the visitors with a boat ride on the Ohio river. At the banquet addresses were made by Lew Hahn, of New York, managing director of the National Retail Dry Goods Association, and J. W. Fisk, advertising manager of the Cincinnati Post.

### The Distribution Conference

AST January, a National Distribution Con-ference was held in Washington to bring together the retail, wholesale and manufacturing interests of this country.

The conference, as was pointed out in this section of the January issue of Narion's Busi-Ness, was called by the Department of Domestic Distribution of the Chamber of Commerce of the United States, and constituted the first concerted attack upon the distribution problem from the point of view of the distributor.

Meetings of four of the six committees appointed at that time were reported in our May issue. Following is a summary of the work of the committees since that date:

Committee 1: Collection of Butiness Figures as a Means Toward Accomplishing Economies in Distribution:

Because of necessity for special care, and cooperation with government agencies, this group is going slowly, but will submit a tentative report in October.

Committee II: Teade Relations:

Its studies are completed and the report is ready to polish up for presentation.

Committee III: Market Analysis, Advertising

and Advertising Mediums:

The sub-committees of this committee made much progress during the summer. Dr. Starch's sub-committee ("B") is tabulating its results on the extent of research work, current and proposed, among advertising agencies, publications, schools, etc. "C" is now completing its statement on the economic value of advertising and is formulating recommendations for cutting waste in advertising

Committee IV: Expenses of Doing Business:

Much accomplished here also. "Sub-com-mittee A," on Retail Expenses of Doing Business, reports a mass of information on (a) classification of accounts, (b) costs of doing business,  $(\epsilon)$  persuading merchants to adopt cost records, (d) effects of simplification and turnover on retail cost of distribution, (e) known costs but of unknown proportions.

Committee V: Methods of Distribution:

The report, based on individual members'

# SINGING YOUTH

The joy of youth and beauty—freedom and adventure—are reflected in many radiant features published in The Chicago Daily News.

The rising generation of Chicago and its suburbs reads. The Daily News for such features, as older readers read it for the features that appeal to them, in full confidence that they will find what is most pleasing and profitable to their individual tastes and needs.

The strength of The Daily News is in its popularity in Chicago homes. This is due largely to its all-round reader interest—it has the best possible features for every member of the family.

The Daily News has been aptly called "the department store of Chicago newspapers"—because it closely approximates department store service to its readers—in the charm and variety of its news and editorial features, and the comprehensiveness of its advertising. Its "shop news" is the most complete in Chicago, rendering a most valuable service to the buyers of Chicago, young and old alike.

The responsiveness of Daily News readers to advertising is shown by the fact that The Daily News publishes a greater volume of display advertising than any other Chicago daily newspaper.

# THE CHICAGO DAILY NEWS

First in Chicago

Note-Report for the first 7 months of 1925.

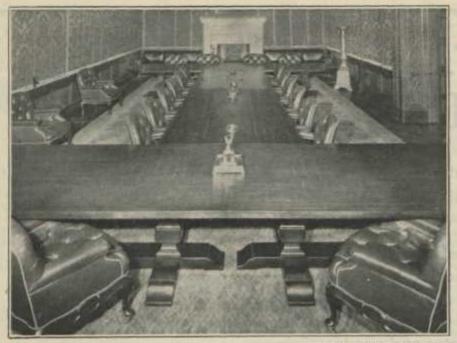
TOTAL DISPLAY ADVERTISING LINEAGE:

The Chicago Daily News

8,937,325 lines

The next Chicago daily paper

7,189,239



Directors' Form of New Hilmon Merchants Bank, finished and formished in American Walnut

# American Walnut

# Adorns this magnificent directors' room

THE Directors' room of the new Illinois Merchants Bank is believed to be the handsomest and most luxuriously equipped room of its kind in the country.

It was fitting that in planning the decorations for this magnificent chamber American Walnut should be selected for finish and furniture. Walnut is the ageless wood, proved by experience to be the most enduring, and preferred for its beauty, dignity and ability to withstand climatic changes.

The massive sculptured door is of

beautifully carved walnut, and the huge T-shaped table and chairs are all of walnut.

Many of the finest public buildings, offices, clubs, hotels, as well as the most modern banks have been "done" in walnut. A marked appreciation of the durability, beauty and many other qualities of this finest cabinet wood.

If you are planning a new building and its decorations, or the remodeling of an old building to make it up to date, advise your architect to consider walnut as the wood for interior trim and furnishings.

> Our book "The Story of American Walnut" is an authoritative work on this finest cabinet wood. It tells its history in the wood working industry, its advantages and the qualities for which it excels. It also gives careful rules for the finishing and care of walnut. Write



"This Is The Walnut Age"

AMERICAN WALNUT MANUFACTURERS' ASSOCIATION

Chicago, Illinois



ins door to directors' room of Illinois Merchants Bank of handsomely carved American Walnut

Room 922, 616 South Michigan Avenue

studies and actual experience, is now ready. Committee VI: General Conditions Affecting Distribution:

Integrating reports of sub-committees, this committee's report covers economic laws and legislation. Its conclusions, derived after endless labor, are enlightening in regard to public relations of distributors to government and to each other.

The second meeting of the National Distribution Conference, to be held late in October, will hear these six reports. After years of sporadic effort, business at last has an able and energetic agency to organize effective merchandising.

Manufacturers and distributors in every in the United States have, therefore, a stake in the outcome of this Distribution Study, and it is expected that the October meetings will draw a large attendance.

### National Dairy Show at Indianapolis

THE NINETEENTH annual National Dairy Exposition will be held at the fair grounds in Indianapolis, Indiana, October 10 to 17, inclusive. This exposition is a "show window" of the twoand-a-half-billion-dollar dairy industry of the United States, revealing its economic importance not only to dairy men, but to others who are interested in the development of a sound and successful agriculture as a basis of national pros-perity. The exposition is maintained by the dairy industry for the improvement and advancement of dairying

Included in the exposition will be 1,500 head of the best breeds of dairy cattle, and displays of dairy products. An educational exhibit is being arranged to show the work of the Department of Agriculture in behalf of better dairying variety of exhibits and demonstrations will visualize the research and extension activities of agricultural colleges serving the dairy industry. Machinery and appliances used in the modern plant handling milk and its products are also to be exhibited. Equipment and supplies for the farm and dairy barn will occupy 25,000 square feet of exhibit space.

Contests, demonstrations, and exhibits have been arranged for boys and girls in dairy-call clubs of all states. Cattle-judging contests have divisions for farmers, college students, and highschool pupils. During the exposition there will be meetings and conferences of dairymen to consider the problems peculiar to each branch of the

W. E. Skinner, secretary and general manager of the National Dairy Association, has charge of the exposition, with offices at 54 Monument Circle, Indianapolis.



### Georgia Celebrates the Peach

EORGIA peaches with their flavor have won a favor in homes throughout the nation, and they are not without honor in their own country. Down in Fort Valley the citizens and people from the countryside once a year take part in a peach blossom festival, when millions of peach trees are in bloom

Local organizations, including the chamber, are represented in the festival. This year's festival, the fourth one held, included a colorful pageant, "The Trail of Pink Petals," in which pageant, the Iran of Pink Petals, in which fifteen hundred persons took part. They bought their own costumes, and helped to erect the scenic background. A mimic Mount Olympus was an outstanding feature, requiring an expenditure of \$1,000 for the materials. A voice

amplifier was installed at a cost of \$1,400.

During the two-day celebration, cavalry troops from Fort Oglethorpe gave exhibitions of riding, with a sham battle as a climax. A parade

# Protection against the pickpocket of industry

"The value of power lost to industry through friction has been estimated to reach the staggering total of \$185,000,000.00 annually."

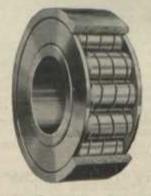
-Industrial Oil Engineering

TRULY, friction is a pickpocket, working unnoticed but without rest, taking his toll at the bearing points of countless thousands of pieces of mechanical equipment.

and wheels roll instead of rub. Economies are effected in power, lubrication and maintenance. The useful life of equipment is prolonged.

Yet it is not difficult to get adequate protection against friction. Hyatt roller bearings have been giving it for over thirtyfour years.

Where these modern bearings are used, shafts



Investigate the many advantages offered by Hyatt bearings for your manufacturing, material handling and transportation equipment and for your mechanical products.

# HYATT ROLLER BEARING COMPANY

NEWARK DETROIT CHICAGO SAN FRANCISCO
WORCESTER PHILADELPHIA CHARLOTTE
PITTSBURGH CLEVELAND

Your technical men will find the new Hyatt bulletin—just off the press—of real value. It is a purely statistical reference work showing load capacities of the various types and sizes of Hyatt bearings for industrial equipment. Ask for Dimension and Load Bulletin, No. 1559.

HYATT ROLLER BEARINGS FOR ALL MECHANICAL EQUIPMENT

# The Mayflower



Washington's Palatial New Hotel

Home of Leaders in Statecraft, Diplomacy, Finance and Industry

Business and professional men will find here the acme of luxury and comfort, at rates no higher than at less finely appointed hotels.

Four Short Blocks Trom U. S. Chamber of Commerce

Connecticut Avenue Seventeenth and De Sales Streets

> HIGH SPEED HOIST

> > The nation's hoisting and conveying requirements in every industry demanded an improved high speed hoist-one with longer life and a greater factor of safety a hoist easier to operate, and one requiring greatly reduced upkeep and maintenance

> > Here it is -it's the Weight Im-proved High Speed Houst with its special features, many of which are exclusive; note a few

- Ball Bearing Spindle New Process Chain Steel Safety Straps Ball Bearing Swivel Hook Tube Oiling System

But the above are not all of the features; it boasts of 21 plus points of superiority.

Let us explain everyone



was a picturesque event. In it were represented commercial and community organizations from southern Georgia. Newspaper and news-reel photographers "shot" festival scenes, a circumstance indicating the advertising value of the celebration to the community.

### "Slogan Exchange" Is Proposed

THAT TWO cities may not use the same slogars, the secretary of the chamber at Huntington, West Virginia, has suggested the recording of slogans by the Organization Service Bureau of the National Chamber. With his proposal in effect, an organization or a community about to make use of a slogan could ascertain whether or not it is in use by any other organization or community. The Organization Service Bureau is ready and willing to act on the suggestion, and in communications to chamber secretaries has invited them to send in slogans in order that future selections may avoid duplication.

### National Association of Foremen

RGANIZATION of a National Association Onio, October 8, at a meeting called by T. B. Fordham, president of the Ohio Federation of Foremen's Clubs.

The rapid growth of Foremen's Clubs in many cities, coupled with the interest of both the man-agement and the foremen in better foremanship, has made desirable the expansion of the Ohio Federation to take in clubs and individuals outside of Ohio. About 1,500 men attended the Second Annual Convention last May and many new clubs are to be formed this September. Any factory Foremen's Club, and any organizations, or persons, interested in raising the standard of foremanship are invited to be represented at this

### Auburn Shows Industrial Products

PAID admissions to the industrial exposition at Auburn, New York, under the auspices of the chamber, were thirty thousand. The exposition included exhibits of automobiles, displays from retail stores, and demonstrations of school work. To make a special appeal to children there was a "pet stock" show, with prices for the prettiest pet, the largest pet, the smallest pet, and the most unusual pet. Entertainment included concerts by bands and

orchestras, and a continuous showing of the "Phononim," the so-called "talking movies," a product of the Case Laboratories.

Ministers made timely comments on the importance of appreciating the community's resources and facilities. The exposition disclosed that many citizens did not know that two of the "Rice Leaders of the World" are located in Auburn—the McIntosh-Seymour Company, and

the Columbia Rope Company.

Business men gave hearty cooperation in making the exposition successful.

### Denver's "Ten O'Clock Club" Plan

REVISED "Ten O'Clock Club" plan, de-veloped from the plan included in the records of the eighth annual meeting of the National Association of Commercial Organization Secretaries, obtained 504 new members for the Denver chamber when applied in a campaign of seventeen weeks-an average of almost 20 new members a week.

Of the campaign, Robert E. Coburn, member-ship secretary of the chamber, writes:

Thirteen persons formed the original personnel starting this work.

Upon joining the club, each member agreed to remain in it until be had scored 200 points. Each new membership counted 25, and each dollar contributed to the Activities Fund, one. When the member had gained his quota, he secured a successor to take his place and he was responsible for this man's making the

group of "undergraduates," usually numbered around twenty, met Friday To

Bankers Capitalists Manufacturers . . .

WEOWN a patented mechanical device of great value and for which there exists a market that is practically unlimited.

We are completely tooled up and have manufac-tured and sold hundreds of these devices which are now in daily use and giving conclusive evidence of the superiority of our product over anything that can be classed as similar.

Owing to a lack of capital for sales expansion and quantity production we will consider an offer of substantial investment which can be secured by

-or we will discuss the possibility of sale, reorganization or merger with a well financed company who have ample manufacturing facilities and are interested in a new and meritorious product.

This is distinctly an opportunity that offers possi-bilities far out of the ordinary. We invite cor-respondence from principals only.

Box 205 NATION'S BUSINESS Washington, D. C.

# Send this coupon to a friend

# "To get more out of half an hour-

spend a half hour once or twice each month reading NATION'S BUSINESS. I recommend the magazine to you."

(Sign your own name here).

### NOTE TO FRIEND:

NATION'S BUSINESS is 35c per copy. Thirty-six monthly numbers (a three-year subscription) would cost \$12.60. The rate now is \$7.50. You save \$5.10. Your subscription should be sent direct to the United States Chamber of Commerce, Washington, D. C.



at 10 a.m., secured prospect cards and started out on the job, reporting back at 12 noon, at which time the regular weekly luncheon meeting was held. If any member missed two consecutive Fridays he was automatically dropped from the roster and replaced from the waiting list.

All workers were allowed to keep their prospect cards from week to week, but were penalized if they were caught soliciting outside of hours. Only two men were actually caught, but that served to put enough fun into it so that the others were constantly afraid of being

caught.

Each member of the club was allowed to remain in the club but four weeks—after which he received a penalty of 25 points for each week he remained a member. This penalty plan was very effective, as usually the worker came through on the fourth and last week. One man, however, could not make it in the limited time, remaining in the club nine weeks, accepting 125 points in penalties, but on the ninth week he cashed in with seven members, his total being eleven.

The most salient incentive proved to be the reward system injected into the plan. If a worker brought in six applications in one day, or 150 points, he was given 50 points reward, thus enabling him to graduate in one day. Also, if a worker scored 75 points in one day, he was rewarded with an additional 25. By scoring 100 points in two weeks he was graduated.

After the club had closed its activities with a total of 504 new members, each "graduate" was presented a memento from the board of directors. This was a black leather correspondence case, with the "graduate's" name and the following inscription in gold upon it:

"Presented to \_\_\_\_\_\_ by the board of directors for services rendered to the Denver Chamber of Commerce."

### Decisions Affect Trade Associations

DEVELOPMENT and proper use of business statistics by trade associations, in accordance with the recent decisions of the United States Supreme Court, is strongly urged in a bulletin issued by the Department of Manufacture of the Chamber of Commerce of the United States. Explaining the development of trade association activities the bulletin says that

for years trade associations have been faced with doubts about statistical activities in which they could lawfully engage. The members of many associations had come to fear that statistics of any kind were, in the opinion of prosecuting officials, inherently wrongful, when they related to economic activity, although in every other walk of life atatistics were held in high esteem.

In this situation the Supreme Court itself has granted relief. On June 1 it handed down its opinion in two cases brought by the Department of Justice against trade associations, holding that the statistical activities of these associations were lawful. Thus these opinions serve to indicate for all trade associations that there is no violation of the federal anti-trust laws if they gather and distribute the essential business facts which the

Supreme Court described.

With the clearer understanding of this liberty under the law (which remains unchanged), there is no bar to the development and proper use of business statistics. This clearing of atmosphere should mark the passing of guessing as to the facts concerning our commodity production and distribution provided there is a willingness, at source, to supply the information. It is in the hands of each member of an industry to make possible complete and accurate figures for his line by his own contribution.

The Department of Manufacture has announced that it will cooperate with trade asso-

# Waiting is Wasting

Autocall prevents it - for 8 cents a day



The president, secretary and treasurer in executive session—three high salaries ticking like a taximeter—and all three twiddling their fingers waiting for some information from the sales-manager who can't be located.

Remedy-an AUTOCALL

Motor burned out in Department C. Work at a standstill. Can't afford a shutdown. Where's the electrician? Telephone operator has disturbed every department without result. No one has seen him recently.

Remedy-an AUTOCALL





The G. M.'s train leaves in forty minutes. He wants last-minute information on the progress of two important orders—and the production manager can't be found. He's "in the plant somewhere," but where, no one knows, and the G. M. leaves without the information he needed.

Remedy - an AUTOCALL

Such needless waste in one form or another is cutting into profits every day—probably in your own organization. Yet all you need, to end it forever, is an Autocall. This mechanical finder of men keeps you in constant touch with every fellow-executive and every employee no matter where he may be, and pays for itself a hundred times over in time and temper and money saved. Prove it. Send the coupon for our free trial offer.

TA	utocall	PAGING SYSTEM
	The Autocall Company, 314 Tucker Ave., Shelby Ohio.	t offur.

Send information about Autocall Paging System and free trial office.
Send information about Autocall Undestrial Fire Alarm System.
Send information about Autocall Watchmen's Supervisory Service.

:Name ...

Address .



WHILE Florida today attracts world attention by her remarkably increased rate of progress, nowhere in the State is this pace of achievement more pronounced than at Daytona Beach.

The three municipalities of the richly productive Halifax Country—Daytona, Daytona Beach and Seabreezerecently combined into one great city, accepting the world-famous name, Daytona Beach.

Another great forward step has just been taken in voting a \$2,000,000 bond issue for a paved highway direct to Florida's West Coast.

Provision is being made for deepening the harbor provided by the wide Halifax River. This will accelerate the growth of Daytona Beach as a commercial center, to serve as an outlet for one of Florida's best agricultural sections.

The city is creating a lovely park to extend the mile length of the water front. Seventy-one miles of roads have been paved within the city limits and fifty-seven miles of sidewalks and eighty-four miles of sewers laid.

The permanent population of Daytona Beach has nearly quadrupled since 1920. Building operations of the first six months of this year were three-fourths of last year's total. Bank deposits have more than tripled in five years.

Thus Daytona Beach, besides affording all the pleasures of a most beautiful resort city; besides being a city of exquisite natural beauty and with such outstanding assets as its world's finest bathing beach and its unlimited supply of pure, soft artesian drinking water, offers moneymaking opportunities on every hand.

For any information, write to

# Daytona Beach Chamber of Commerce

DAYTONA, FLORIDA

Second Largest Chamber of Commerce in the World

ciations interested, and will endeavor to effect the contribution and interchange of information and experience which will prove of interest and value in this work.

### An Appeal for Jury Service

AN APPEAL to the members of the Brooklyn chamber and to the public generally to assist in the enforcement of law through jury service has been made by the public safety committee of the chamber.

The committee is considering ways and means to cooperate with the police department, the district attorney, and the courts to reduce crime in Brooklyn. According to Brooklyn, published by the chamber, the committee believes that

citizens can be very helpful in this work, particularly by serving willingly on juries and not seeking to be excused except in cases of real emergency. Such an attitude, the com-



mittee maintains, will be of great value in encouraging the officials charged with the enforcement of the law.

Another statement, sponsored by the chairman of the committee and by a former president of the chamber, gave further definition to the chamber's position saying that

Your public servants have been and are working hard and using their best efforts to protect you from this criminal element, but they are entitled to your active support and cooperation, and the public safety committee of the chamber urges you to give this support willingly and in good measure.

### Coming Business Conventions

Coming Dusiness Conventions
Date City Organisation
October 1st wk Chicago Laundryownerr National Asso-
t Chicago American Incubator Manufac-
4-9. Detroit. National Wholesale Druggiets
Association.  8-9 Atlantic City American Electric Railway As-
5 Columbus, Ohio. Association of Limb Manufac-
5 New York American Institute of Marine
6 New York National Association of Mutual
Gasualty Companies. 6-9. DetroitNational Restaurant Associa-
8 New York Copper and Brass Research As-
12-16 Louisville American Life Convention.
12 Louisville. National Association of Statissers, Office Outfitters and
13 Louisville National Peamit Cleaners &
Shellers Association.  13-15 Kansas Crty, Mo., Grain Dealers National Asso-
14-15. Chicago Fire Underwritem Association
of the Northwest.
ated Beverages. National Varnish Manufacturers Association.
19-21 Cleveland Paint Manufactures Associa-
tion of the United States.  30-22 Buffalo American Railway Bridge and
Building Association.  20-22 Buffalo. Bridge and Building Supply
Men's Association.  20. Dallas Poster Advertising Association,
30-22 New Orleans Southern Logging Association
21-23. Newark Federal Wholesale Druggioto
21 Newark National Association of Marble
21-23. Cleveland National Paint, Oil and Varnish
27-28. Boston. New England Milk Producers
27-30Chicago Railway Electrical Supply Man- ufacturers Association.
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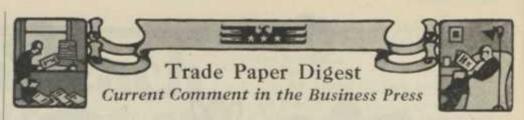






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IT IS well to start off a statement of opinion A about business conditions with such modera-tion as is expressed in the Harvard Economic Service's comment as printed in Hide and Leather: "Nothing has occurred in the past few months to create an unsound condition in busi-. It appears conditions both at home and abroad are favorable to moderate business improvement during the rest of the year.

General business is "on the whole good," says Commerce and Finance. "Distribution is per-haps better than normal, and prices have moved logically in response to influences that are sea-

sonal.

And Dun's Review: "Each week's reports bring out more clearly the fact that most phases of the business situation are favorable.

The Executive's Magazine considers that "mid-summer business generally through the country was in prosperous condition, with virtually all lines showing increases over the same time a year ago. Sentiment is almost unanimously optimistic, and prospects for fall and winter crade are the best in recent years."

Reporting that conditions are practically unchanged from a month ago, the September issue of Commerce Monthly, published by the National Bank of Commerce of New York, sees no more than the customary midsummer decline in the volume of business in any line, "while in many industries the slackening has been less than usual. . . With consumer de-mand at high levels both in agricultural and non-agricultural localities, the outlook is for an autumn prosperity shared by practically all classes of business."

That there is "a larger business going on in this country" and "a wider recognition of this fact," is the opinion of The Commercial & Financial Chronicle.

From the central west, The Price Current-Grain Reporter calls attention to the liveliness of the money market, which usually at this time of year exhibits "a lessening demand for cash or credit that is needed in the expansion of business . . . Bankers are unanimous in the belief that the present business up-turn is as-sured for a considerable period."

B. C. Forbes, back from a leisurely survey of American business in the west, has found conditions "only fair." Taxes are retarding en-terprise everywhere. In spite of all, "the advance made by this country as a whole during recent years is impressive." The miles of good new road, the numbers of palatial hotels, and the statistics of bank increase, savings, life insurance. All these offset the astounding lav-ishness in spending: "Sometimes you stop to ask yourself whether the people of this country have not allowed prosperity to go to their heads. .

Mr. Forbes' conclusions that there is a fair amount of activity are borne out by the reports of Federal Reserve agents from the various districts, says Crockery and Glass Journal: "There have been some declines in factory production and employment, but distribution of goods and commodities is on a large scale, bank debits in most sections are large, and ample funds are available to carry on the nation's com-

"Crops are in good condition in the great producing sections of the west and for the first time years can be marketed with local credit facilities, avoiding a strain on the great financial centers of the east." Hand-to-mouth buying is again noticed as making for conservative business

Oil, Paint & Drug Reporter points to "growth of optimistic feeling as a result of the prospect of substantial reductions in federal taxes, and the budget submitted for the fiscal year 1927

bears out the earlier expectations of a lightened, burden of governmental levies.

The surest indication of activity in business, says Railway Review, is found "in loadings of merchandise, less-than-carload freight, and miscellaneous carloada. The railroada carried 383,-553 cars of miscellaneous freight, last week, an increase of 35,475 cars over the same week in 1924, and 38,144 cars more than two years ago. They carried 255,159 cars of merchandise and less-than-carload freight, an increase of 15,374 cars over the same week last year. Somebody, somewhere, is selling goods. It is pleasant to record that even with this enormous business the railroads have a surplus of 263,876 perfectly good freight cars ready for still more business.

But The Annulist strikes a note of warning, pondering upon the "unprecedented price adand questions whether those died in vances," vain who suffered in the "painful preliminary ordeal of deflation." Bradstreet's index number of commodity prices not only shows "strongly sustained advances since May," but "registers a total increase of 12.8 per cent over August, 1924. But the really serious portent contained in these price changes may be deduced from the fact that the index has actually reached a point which is higher than any recorded since November, 1920. Although still 31.7 per cent below the peak attained in February of that same year, it is 63 per cent above the figure for

August, 1914."

No combination of circumstances, continues the journal, "operative solely from the commodities side, suffices to explain advances such as the which are now being registered. articles which have not shared in the general price rise have generally been at least main-tained at existing high levels, a circumstance that acquires particular significance if it is remembered that overhead production costs such as taxes, wages, etc., have in many cases been reduced considerably. Evidently forces have been at work which are strong enough to counteract the price-depressing influence of wage cuts, tax reductions and various aids to eco-nomical production. The strength of these factors may be gauged by examining the expanding items in our bank statements with their growing volume of loans and discounts and increasing total of rediscounts."

Finally, The Annalist concludes: "Business believes itself to be waiting on the development of the great crops. It is assuredly waitingan economic scheme which it can itself under-

### "Put 'Em Up!" "Put 'Em Down!" No Repose for Freight Rates

THE HOCH-SMITH Resolution, passed by Congress last January, provided for an investigation of freight rates by the Interstate Commerce Commission, and inquiry as to whether the railroads were discriminating against agriculture in favor of manufacturing.

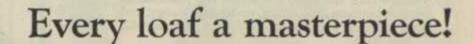
These investigations commenced the first of ptember. "The result will show," says South-September. ern Tariff Advocate, "whether the farmers and growers have been discriminated against in fayor of manufacturers." The journal claims that "the public wants to know the facts."

The farmers are naturally interested. contend that rates are too high; they are trying to bring them down. The western roads assert that rates aren't high enough; they are trying to have them increased.

Some of the farm papers have pertinent re-marks to make on the subject. The Prairie The Prairie Farmer points out editorially that some of the



The old-time baker, though he used the best, could never be certain the bread would be right. The perfect control of electric heating makes sure that the loaf will always be tempting.



As the price of bread falls or rises, so moves the economic prosperity of the nation. Everything that helps to increase profits to the wheat grower or to hold down the cost of the loaf to the consumer helps the community, the state, the whole country.

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### The Reserve Strength of Leadership

In business as in sports: "He who sets the pace must strain the hardest." The leader in any line of endeavor is the natural target for all competitors. Often these competitors are able to shoot the leadertargets full of holes because their aim is through the sights of progress and their bullets are fresh ideas.

Fresh ideas always indicate reserve strength in competitive business. The trouble with many one time leaders is that their ideas lose freshness. Business methods that brought them to the front become their speed limit. They lack the spurt of fresh ideas.

Conditions change; methods that were successful become antiquated or ineffective. Some house in the rank and file grasps the new opportunities which the leader fails to see and a new leader comes to

Excellence of product and service are fundamental but they are not enough. To maintain leadership fresh and practical ideas are needed and their one source is exact knowledge-exact knowledge developed thru the new, the fresh, the practical in modern business accounting, up-to-date budget and costs systems, and the establishment of good will.

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### House Organs

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The William Feather Company 611 Carton Building :: Cleveland, Ohio farm organizations are basing their whole case on the statement that farmers cannot afford to pay the increase. "To be successful, they will have to go into the matter much deeper than that," warns the journal. "We must have rail-way service, and to get it we must pay what it costs. Freight rates may be a beavy expense, but it would be still more expensive not to have

adequate railway transportation."

The farmers' case "must be based on a study of railroad expenses and comparative rates, and not on the mere statement that farmers as well as railroads are hard up. Certainly we do not want to pay higher freight rates if that can be avoided, but we must have adequate transportation, and we cannot hope to get it for less

than cost.

The Iowa Homestead reports a resolution adopted by a committee of 24 farmers' organi-rations at Des Moines, Iowa: ". . . If it is true that the railroads are entitled to an increase in rates under the terms of the Esch-Cummins Act, then we desire to state that this fact is due almost wholly to the depressed condition of agriculture-to the fact that when a railroad loads its cars with wheat, corn, hogs, cattle or other farm products, it is forced to send them back empty, rather than fill them with merchandise which our farm families so sorely need, but which they haven't the money to pay for."

If an increase is imperative, "why not place it upon commodities where the burden can be assumed in part by the general consumer? Why increase the load of the already overburdened farmer . . . ?"

#### The Embattled Farmers

And the embattled farmers take their stand with these words: "In these premises, we shall defend ourselves as best we can, knowing full well that we shall make a poor showing against the great rate experts and lawyers of the rail-roads. There are no such men to speak for agriculture and if there were we wouldn't have the money to smalley them." the money to employ them.

Manufacturers Record prints two letters from rate and traffic experts. The first insists that "Further 'legislative interference' with freight rates is absolutely necessary." Because "the traffic profession purposely will not aid in doing it and the mentally ossified railroad traffic men are unable to do it."

The Interstate Commerce Commission, with "its costly organization, is too swamped with controversies between the public and the common carriers to find time to evolve a solution. Congress must do it or it will not be done.

#### Real Source of Trouble

The other letter asks the question, "What is the matter with the existing freight-rate structure, which results in profitable operations for some goads and bankruptcy for others, as well as a great volume of expensive litigation before the Interstate Commerce Commission?" And answers it: "The trouble is, and always has been, that these salesmen of the railroads (traffic officials) who arbitrarily make the selling price of the manufactured product of the railroads (transportation) have not the slightest idea of the cost of their manufactured prod-uct (transportation). Under the 'per ton mile basis, the losses are swallowed up in the gains. or the losses entirely swallow the gains, and the only remedy known to these ignorant sales-men (traffic officials) is another blanket freightrate increase—to replenish an empty railroad treasury. Thus, the 'leaks' continue, and no one is the wiser."

And again. "If ever an industry needed effi-ciency engineers to ascertain and stop the 'leaks,' it is the railroads. I have attended rate meet-ings where traffic officials were agreeing upon port terminal charges and not one of them present knew the difference between dockage (a charge against a ship) and wharfage (a charge against goods), much less the cost of the ter-minal service, per ton. Their bookkeeping system tells them nothing as to those costs considered necessary in the operation of a private enterprise, large or small. Any private enterprise

## Do travelers notice the difference?

Few, very few, hotels have a private bath and circulating ice

water with every room -as these hotels have. Yet that isn't the biggest difference between the Statlers and others. And few, very few,

are the hotels which give you a morning paper under

Few, also, are the hotels which give you as wide a variety, as much choice, in restaurants and restaurantprices, as do these houses. Besides the regular dining-rooms, each hotel maintains a cafeteria, or a lunchcounter, or both-as a more complete service.

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your door; or sell you things at the news-stands at streetstore prices; or post the price of each room, printed in plain figures, in that room-as these hotels do. Those things get nearer to the essential difference because they express the policies under which these houses are operated, and in which they are unique.

they are manned by organizations which are not new, but are trained, seasoned, competent.

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and Sr. Louis: from \$6.30 in Buffalo, and from \$7 in New York. And remember that every room in these houses has its own private bath, citculating its water, and many other conveniences that are invasial.

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In the Park Square District of Rosson (Columbus Ave., at Arlington and Providence Streets) construction has begun on the new Hotel Starler, which will have 1000 rooms, 1000 baths, and all the comforts and conveniences for which these hotels are world-famous.

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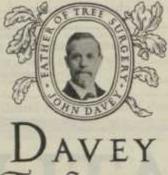
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whenever there was an empty treasury." Startling charges! And the remedy? writer gives that too:

"Yes, there is a remedy. Any competent agency . . . if given proper authority, could ascertain the costs of transporting various classes of commodities, under varying conditions, and point out the losing traffic and leaks. Then this practice of hauling one commodity 1,000 miles for less than a similar commodity is hauled 100 miles might be eliminated, to the ultimate gain of the vast army of small shippers who must pay their just proportion of the nation's freight bill and, in addition, the lesses reck-lessly and needlessly incurred by the railroads upon 'below cost' traffic,"

Railway Age points out that the Transporta-tion Act has already fixed the principles ac-cording to which rates should be regulated: "One of them is that the shipper or traveler is entitled to have each rate made just and In this sense a rate is just and reasonable. reasonable if it is fair in proportion to the cost incurred by the rallway in rendering the particular service and to the value of the service to the shipper or traveler, and is not unfairly discriminatory as compared with other rates. A railway is not entitled on any ground to charge a rate that is unreasonable as measured by these standards.

"Another principle recognized by the Transportation Act is that if each rate and the entire schedules of rates of a group of railways can, without being made excessive, be made sufficiently high to enable the railways of the group to earn a fair average return upon the aggregate value of their property, then the rates must be made high enough by the Interstate Commerce Commission to enable them to earn

this fair average return."

### "Real" Wages Take Shine Off Income; \$ Is What It Buys

THE NATIONAL Bureau of Economic Re-grew from \$791 in 1909 to \$1,537 in 1920, according to Commerce and Finance. "This according to Commerce and Finance. "This pleasant picture is nearly destroyed," points out the journal, "by its finding that the purchasing power of this average income, by reason of price rises, increased only from \$823 to \$887—only \$64.

Why do prices rise? Southern Tariff Advocate undertakes to answer that vexed question, commented upon elsewhere in this department by The Annalist. There are, says the Advocate, "two principal causes: Sup-ply and demand of commodities, and volume of notes or credit money in circulation in rela-tion to the volume of wealth created.

"The law of supply and demand," continues the journal, "operates worldwide; and the domestic price is affected by world supply and demand in all cases where domestic products go into world trade."

So much for the "first cause." second—There is another cause of the high price level of commodities. That is what is known as inflation of the currency by means of large issues of paper or credit money.

This paper money consists of government notes fixed in amount; national bank notes determined by the volume of government bonds put up by the banks as security for their circulating notes; and gold and silver certificates which were only receipts for gold or silver deposited with the Government. From 1916 to 1920, the volume of Federal Reserve bank notes put into circulation ran up into the billions. This seemed to be necessary to pay the extraordinary ex-penses of the war, the high wages demanded, etc. As wages advanced, prices advanced; and the result of both was the issue of more paper notes by the Federal Reserve banks. Just as

the notes of an individual or corporation become less valuable, the larger the volume put out, so in the case of the Government when these notes reached several billions in volume, their purchasing power as compared with commodities decreased.

"Now we say that the purchasing power of the dollar is about sixty cents as compared with 100 cents in 1913. This is the same as saying that the general price level in 1925 is forty per cent above the price level of 1913."

What is the way to the old level? The jour-

nal has the answer:

rai has the answer:

"First, increased production of wealth; second, gradual decrease in the volume of paper or credit money until gold dollars will be actually and freely exchanged for paper dollars when desired. This point is gradually being reached... The gold standard in practice means that a gold dollar can be obtained at any bank or trust company at any time for a paper or credit dollar. When price is constantly measured by these gold dollars, there is only one factor that can affect price, and is only one factor that can affect price, and that is supply and demand, plus cost of pro-duction."

### If Debtor Pays, He Can't Buy! Tax Cuts vs. Foreign Debts

THE EYES of business, big and little, are fixed on the possibility of tax reduction. Over and over again the charge is made that excessive taxation is a drag on business.

"Whenever the yield from business activity

"Whenever the yield from ousness activity is not sufficiently great to urge the business man on to still larger achievements the result is disastrous to the country, for by driving him out of constructive, upbuilding work this income taxation lessens the effective working power of the nation, and in that way the burden falls directly back upon the laboring man," says Manufacturers Record.

And, Forbes: "The decision to permit business to go along unperturbed by fear of tariff revision and the certainty that more tax burdens will be lifted from business incomes are two factors that are working to make prosperity permanent and produce the best era since the

war, according to Secretary Hoover."

But Wallaces' Farmer has a message startlingly different: "If it were not for these huge payments made direct to our Government from abroad, there would not be nearly so much talk about cutting income taxes next year. It in rather interesting to speculate about what foreign countries would be doing with these millions of dollars if they were not sending them to the United States Government. Some people think that they would have much more purchasing power for American food products.

"Of course the men with hig incomes are tremendously enthusiastic about the prospects of a cut in taxes, and especially surfaces. We

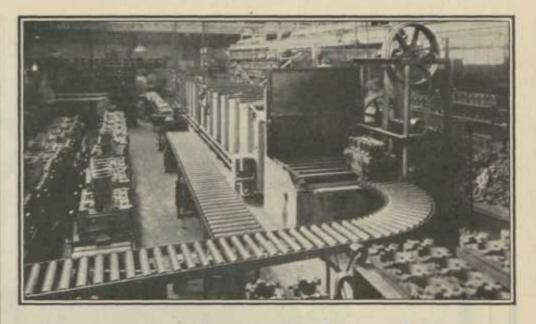
a cut in taxes, and especially surtaxes. We honestly believe that the farmers of the corn belt would be much further ahead if the present income tax stayed where it is and if the European countries used their debt payments in the purchase of our surplus food, rather than paying them to a Government which will use the money to a considerable extent in reducing taxes on large incomes. American farmers may not realize it, but they stand to gain if the European debt to the United States were com-pletely wiped out."

What do the unpaid war debts to the United

States amount to?

The Commercial & Financial Chronicle quotes the New York Journal of Commerce as follows:

"There is left now owing to the United States, as a result of its war-lending operations, approximately \$12,084,238,393, the Belgian settlement, in its discharge of some of the accrued interest, having reduced the former total of the Treasury's debt figures. Of the twenty nations which borrowed, only Cuba has paid off all the debt and interest marked up against it, while five others-Great Britain, Finland, Hungary, Lithuania and Poland-have entered upon funding operations and the English debt, by far the largest of the war account, has been



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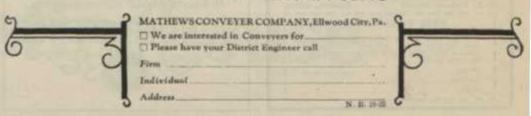
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reduced in large amount. The French, Italian, and Russian obligations are the largest yet unfunded.

"France received during and after the war in actual loans from the United States \$3,340,516,-043.72. Under the Treasury system of calcula-tion interest is figured at 4½ per cent on this total from the different dates at which parts of the loan were actually made, thus adding \$870,040,004.55 to the principal as accrued interest, making the total to be funded, from the American standpoint, \$4,210,550,948.27. Calculations of the Belgian indebtedness on a similar basis had resulted in a total of \$480,503,983."

Now, as to the total amounts which are being paid to this country under funding plans, the journal gives figures from the New York Times;

	Principal	Interest	Total
Belgium.	\$417,780,000	\$310,050,500	\$727,830,000
Finland	9,000,000	12,695,055	21,695,033
Gr.Britain	4,600,000,000	6,505,965,000	11,105,965,000
Hongary.	1,939,000	2,754,240	4,693,240
Lithuania.	6,030,000	8,501,940	14,531,940
Poland	178,560,000	257,127,850	433,687,330

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"On May 15, 1925, the five nations other than Beigium which had already funded their debts had made some payments. The following table shows the amounts then due on their debts and the payments on principal and interest;

	Delt	Prin. Paid	Int. Paid
Great Britain.	\$4,554,000,000	\$46,000,000	B275,120,000
Finland	8,910,000	90,000	538,650
Hummary		9,672	29,303
Lithmania	6,030,000		90,450
Poland	178,360,000		

Total . . . . \$4,749,458,412 \$46,099,672 \$275,968,403

"On May 15, 1925, the total indebtedness to this country of the twenty nations totaled \$12,-151,238,393, of which \$10,556,804,223 was in principal and \$1,594,434,169 in accrued interest. In addition \$327,361,993.16 had been paid on the principal and \$946,430,821 on the interest

"Included in the nearly \$7,000,000,000 yet unfunded are France's debt of \$4,210,556,948 and Italy's obligation of \$2,138,543,852, and also \$255,147,692 which this country loaned to Russia. which is regarded as uncollectible. But should the \$6,350,000,000 lent to France and Italy be funded there would remain outstanding only \$635,000,000."

### Capital Stock Tax a Nuisance To Business; Exchanges Agree

SHOULD this tax go by the board? American Lumberman thinks so, says it "exhibits all the characteristics of a nuisance tax" and declares that "many lumbermen and timber owners would prefer to have it abolished even though the revenue thus lost to the Government had to be made up in another way.'

As at present administered, continues the journal, "the capital stock tax requires a separate assessment from the income tax, covering a different period and being made at a different time. The method of arriving at the value of the capital stock necessitates practically the same amount of investigation and meddlesome prying into a company's affairs that is necessitated by the income tax."

Heretofore, this tax (which is applied to all corporations having a capital stock in excess of \$5,000) has not been levied upon stock exchanges and such, for the reason that they were con-sidered "not in business for profit." But now comes a ruling by the Department of Justice that henceforth all stock exchanges, produce exchanges and similar organizations throughout the country are subject to the capital stock tax and also to the income tax. Under the new ruling, they will be taxed on the basis of the excess of the fees they receive above expenses. "It is likely," comments Commerce and Finance, "that the exchanges will make a fight on the ruling in the courts."

If industries succeed in having it abolished, the exchanges need not add to their burdens the

costs of fighting the tax in court.



because -the motor is the very heart and soul of any

electrically-driven machine. The best machine in the world will fail to function if the motor stops—and production will be interrupted. This simple fact is so obvious that it requires no proof.

To the discerning it is equally apparent that motors are not all alike simply because they all run. Automobiles and watches, for instance, are not alike because they both run.

Since the motor is the vital part of any

machine, and since it is reasonable that all motors are not alike—why not specify the motor?

You should specify Westinghouse motors because 12,000,000 horsepower of Westinghouse motors have proved themselves; because Westinghouse motors are made in more than 22,000 standard types, sizes and ratings, to assure the right motor for any application; because Westinghouse motors, in any industrial center, can be reached over-night, in case of need, by Westinghouse men—because of these facts discriminating users specify Westinghouse motors.

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partitions to be moved in intact units. Their quality of workmanship, material and design is indicated by the character of the many fine modern buildings in which they are used exclusively.

Which they are used exclusively.

Cabinet Design, mahogany Circle A Partitions are shown in the photograph below taken in the Missouri Theatre Building, St. Louis. Also furnished in Commercial Design, in various woods, any finish, Railing, Cornice or Ceiling Height. Delivered complete with all hardware. Send for large illustrated catalogus, enclosing this advertisement with your name and address on the margin.

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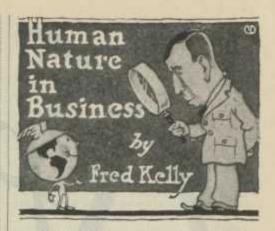
The Columbus Bolt Works Co.

Columbus, Ohio

QUALITY

SERVICE





A LECTURER on art recently spoke before a group of men in an industrial city, urging upon them the duty of trying to put more beauty into their surroundings. At the close of the talk, a leading citizen came up to have a few words with the lecturer.

close of the talk, a leading citizen came up to have a few words with the lecturer.

"I enjoyed your talk," he said, "though I didn't agree with you. The fact is that we have no time here for beauty. The prosperity of this town is due to hard-headed, practical men. We are doing things and can't bother to think about being beautiful."

"Yet," retorted the lecturer, smiling, "you

"Yet," retorted the lecturer, smiling, "you yourself are seeking beauty, according to your lights. You may not have found it, but I know you are aiming at what you think makes for greater attractiveness,"

"No, you're wrong," insisted the hardbeaded, practical man. "I'm not interested

in beauty."
"Then," said the lecturer, "if you don't mind my being so personal, will you please tell me why you have dyed your whiskers?"

AT A NEW YORK hotel recently I became vexed over what seemed to me unwarranted charges for laundry. One item on the bill was 50 cents apiece for washing shirts. But I thought of a way to defeat this charge. I discovered that fairly presentable shirts may be bought for \$1 apiece. By buying that grade of shirt and wearing each one an extra day, I could break even by throwing them away and not sending them to the laundry at all. I wonder if just such an idea won't some day be thoroughly practical—to have clothes so cheap and perishable that washing and dry cleaning may be abandoned. We are already using paper plates, forks and spoons at lunch counters, and paper cups at soft-drink stands. Isn't it possible that more perishable clothes are in the offing?

I HAVE recently had a lot of experience trying to buy mill work for a farm house I am remodeling. To my surprise and disgust, I could not find a single dealer in my neighborhood who could be relied upon to keep his promises about date of delivery. Everyone excused himself when delays came by saying that unexpected difficulties had arisen. All of which leads me to the conclusion that most business men could profit greatly by traveling a season with a circus. The circus simply doesn't stop for unexpected troubles. It arranges in April to give a show in a town thousands of miles away on a certain day in October and, regardless of storm or disaster, it somehow gets there. The street parade there starts promptly at 10 o'clock. From years of practice, circus men have come to feel that nothing, no matter how terrible, is sufficient excuse to deviate from their schedule. Newspapers have the same spirit. The entire plant may burn to the ground, but the paper comes out on time

next morning. I believe more of this get-there-or-bust spirit is needed in most lines of business. Most of us are too ready to think we have done our full part if we arrive at the first snag.

ONE OF the latest real-estate-rental kinks is for a merchant to pay the owner of a building an annual return based on the amount of business done. Many building owners having merchants for tenants now stipulate how much each merchant must spend for advertising.

AN AUTOMOBILE manufacturer—one of the leaders—declares that within three years, he thinks, 80 per cent of all cars manufactured will be selling for less than \$1,000, and 95 per cent will be under \$2,000. He also believes that any open car except runabouts will be sold only on special order.

A GROUP of us were talking about imagi-nation in business and somebody declared that radio experts are now at work trying to make radio mechanism that will pick up items that were broadcast several years ago. One experimenter insists that he still hears fragments of the 1924 Democratic National Convention, sounds of which have been floating through space ever since. Maybe we shall eventually be able to hear sounds not originally broadcast. Who knows but we may yet hear Lincoln deliver the Gettysburg speech? And wouldn't it be surprising to adjust the loud speaker to catch the shouts of the mob at the crucifixion.

AMBROSE BIERCE once defined insur-ance as an ingenious modern game of chance in which the player is permitted to enjoy the comfortable conviction that he is beating the man who keeps the table. It is true, I believe, that nearly everybody who takes either life or five insurance thinks he is going to beat the insurance company if he stays long enough. Yet while he doubtless gets value received in peace of mind and protection, the facts are obviously that the chances are all in favor of the insurance company. If they didn't take in more than they pay out, they could not keep going. They are compelled to ask more from the average customer than they give him back.

ONE OF the hotels in Washington makes great efforts to return to owners whatever articles are forgotten and left in rooms by guests. Even if it's only an old, badly worn toothbrush, the management looks up worn toothbrush, the management looks up the address of the departed guest and tries to return it to him. If the guest left no forwarding address, then they consult the telephone book of the town from which he was registered. If there are a half-dozen names there the same as his, they write letters of inquiry to each! This may seem like going to a lot of trouble. But if a man visited you in your home, you would try to visited you in your home, you would try to return his belongings, wouldn't you? Why not then give him equally good service when he came as a paying guest?

ASKED one of the keenest thinkers I know I what the next great political issue in this country will be. He astonished me by saying it will be a tariff fight. That sounds like the same old thing. But be explained that the next tariff fight will be vastly different from anything we have ever seen before. Those interests which have heretofore been fighting for protective tariff will now be equal zealots for free trade-in order to get cheaper raw materials. "Consider, for example," my

1900



1925

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to Highway Transportation

25 years of anticipating the requirements of motorists-making manufacturing processes more certain-producing a higher standard of quality - 25 years of unswerving adherence to the Firestone pledge, "Most Miles per Dollar"—summarizes Firestone's record of service to car owners.

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the short period of 25 years.

This Firestone record could only have been made through furnishing the public with outstanding values and is, consequently, your assurance of quality and lowest prices.

If you would like to know more of this wonderful record, ask your Firestone Dealer to send you an illustrated folder.

With today's high cost of crude rubber and other raw materials, Firestone's opportunity to serve the public was never better. due to its great volume and special advantages in buying, manufacturing and distribution.

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friend said, "the automobile industry. It would have nothing to fear from foreign importations, because no European car can compete with our standardized repetitive processes. But the automobile industry might gain much by getting in various raw materials free from duty. The same thing is true in many other lines. We're going to live to see the great conservative interests shouting for free trade."

I OFTEN wish it were possible to have at statistician compile figures to show how much money has been spent with sign painters for unnecessary painting of the word the in firm and corporation names on signboards over business places. One sees the Elite Tonsorial Studio, or the Monolithic Skirt and Suit Co., when the name would be far more effective if the eye were not slowed up by having to read the before those words of more significance. Now I learn that in one state there was until recently a law requiring all corporations to place a the before their name. The repeal of this law seems to me a real sign of progress.

AN EARNEST, high-minded reader of these nuggets of wisdom writes to ask me whether he should send out expensive advertising circulars to reach busy executives on Monday or Wednesday. I never sent out a circular in my life, though I have received thousands of them. I'm sure that his question is easily answered. Monday is the worst day of the week to place your message in the hands of a busy man, and Wednesday is one of the best. Tuesday might be even better than Wednesday. The heaviest mail of the week arrives on Monday, due to weekend accumulation, and most circulars are thrown into the waste basket. Tuesday has probably the lightest mail of the week, since few letters are written on Sunday, and even a circular may be glanced at. Moreover, the busy executive starts out Monday to accomplish many things and undertakes more than he can do. He is compelled to turn aside from those of lesser urgency such as buying new things or taking on new ideas contained in printed circulars. Toward the end of the week he again becomes extrabusy, hoping to clean up everything before Saturday noon. The middle of the week is the best time to catch him. More golf games are played on Tuesday and Wednesday, I'll wager, than on any other days except Saturday and Sunday. Another point to remember is that it is unwise to try to sell a man anything around the tenth of the month. Many bills are paid about that time, and a possible buyer is likely to be discouraged over the sight of so much money going out of the bins.

ALL THIS reminds me that the most fascinating thing I have seen in a long time about days of the week is Col. Leonard Ayres' recent study of stock prices with reference to the days they are most apt to be high or low. He-charted day-to-day price fluctuations over a period of three years and found that the most frequent drops and the biggest ones occur on Monday, while the biggest and most numerous upturns come on Wednesday. In other words, in the long run, Monday is the poorest day on which to sell and Wednesday the worst for buying. Saturday prices show the least variation in either direction.

JUST as an item of idle curiosity, I wish now that somebody would make a study of the days on which dentists pull the most teeth and why.



# Why not add a Lumber Expert to Your Factory Staff?

LUMBER producing today has been put on the solid basis of a science. But lumber using has not yet quite caught up. There is still a good deal of unnecessary waste and cost.

This is nobody's fault particularly. Simply lack of information. Persistence of old rule-of-thumb methods. Confusion as to kinds of lumber—and the grades and properties of the various kinds.

A costly thing! But it is being corrected — even though slowly, through such agencies as the Weyerhaeuser Specialist Service.

Already several hundred industrial men are benefiting by the Weyerhaeuser Specialist Service.

And out of this service to American industry have grown hundreds of permanent, regular customers for Weyerhaeuser Lumber. Men who order their full requirements on the scientific specifications agreed upon between themselves and the producers.

THE Weyerhaeuser Specialists will come into your factory on request—analyze your whole lumber requirements—and recommend economical specifications for your various uses.

You may have some uses for which they cannot recommend Weyerhaeuser Lumbers. If so, they'll tell you—there is nothing for either you or Weyerhaeuser in putting the wrong lumber to use.

But out of the 23 species of softwood lumber on this continent, Weyerhaeuser cuts 13 species—including Douglas Fir, genuine White Pine, Pondosa Pine, Cedar and Larch.

These 13 species are cut in 17 modern mills, each carrying large and complete stocks.

For 24-hour service to customers, Weyerhaeuser also maintains two distributing plants at Baltimore and Minnesota Transfer, St. Paul.

An order placed today is shipped tomorrow and delivered to almost any industrial center in a few days.

With the Weyerhaeuser Specialist Service, here is a lumber program beyond anything ever before conceived and carried through.

It is at your service-on request.



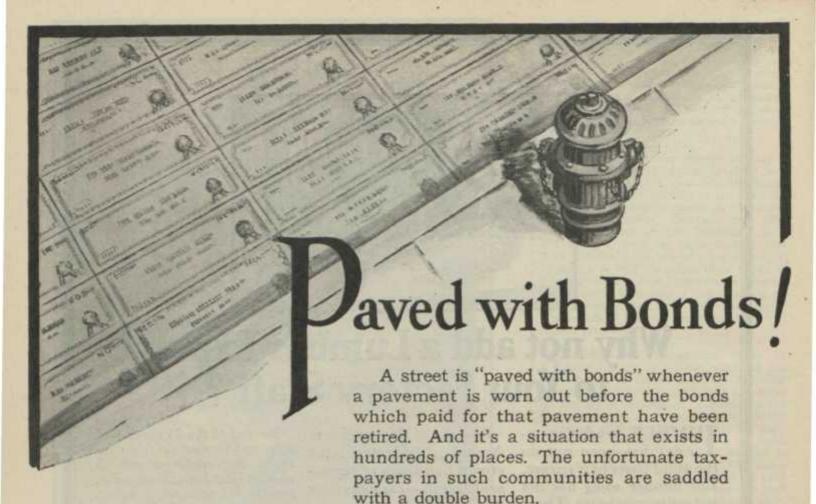
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There's an Ohio city, for instance, which has seen one of its streets repaved three times with short-lived materials, while a more important thoroughfare, carrying heavier traffic, is still paved with vitrified brick laid 35 years ago. And the latter has not yet had a cent of repair cost charge against it. Which has been the cheaper street for the tax-payers?

We will gladly send you an ample supply of convincing testimony on paving costs, taken from official public records, the kind of facts and figures which will help you convince your business associates, neighbors and friends of the economy of paving with vitrified brick. Simply let us know that you are interested.

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